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Date: 02 September 2022

Notice of meeting

Corporate Policy and Resources Committee

Date: Monday, 12 September 2022

Time: 7.00 pm

Place: Council Chamber, Council Offices, Knowle Green, Staines-upon-Thames TW18 1XB

To the members of the Corporate Policy and Resources Committee

Councillors:

J.R. Boughtflower (Chairman)	R.O. Barratt	L. E. Nichols
A.J. Mitchell (Vice-Chairman)	J.T.F. Doran	R.J. Noble
M.M. Attewell	S.A. Dunn	J.R. Sexton
I.J. Beardsmore	T. Fidler	V. Siva
M. Beecher	S.C. Mooney	

Councillors are reminded that the Gifts and Hospitality Declaration book will be available outside the meeting room for you to record any gifts or hospitality offered to you since the last Committee meeting.

Spelthorne Borough Council, Council Offices, Knowle Green

Staines-upon-Thames TW18 1XB

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Agenda

Page nos.

1. Apologies and Substitutes

To receive apologies for absence and notification of substitutions.

2. Minutes

5 - 12

To confirm the minutes of the meeting held on 11 July 2022 as a correct record.

3. Disclosures of Interest

To receive any disclosures of interest from councillors in accordance with the Council's Code of Conduct for members.

4. Questions from members of the Public

The Chair, or his nominee, to answer any questions raised by members of the public in accordance with Standing Order 40.

At the time of publication of this agenda no questions were received.

5. Ward Issues

To consider any issues raised by ward councillors in accordance with Standing Order 34.2

At the time of publication of this agenda no ward issues were received.

6. Corporate Risk Management

13 - 62

To consider and note the significant strategic risks and issues highlighted in this report.

7. Budget Inflation for Costs, Salaries, Fees and Charges 23/24

63 - 70

This report seeks to set out the budget assumptions in respect of inflation for: Employment, Costs (Contracted and non-contracted) and Fees and Charges income, as well as addressing the challenges from the 2022/23 budget that could impact on 2023/24 Budget Setting process.

The report sets out some recommendations for the budget assumptions on inflation for employment, costs and income and provides Council with an insight to the budget deficit caused by the cost of living crisis.

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|------------|---|------------------|
| 8. | Q1 Capital Monitoring Report | 71 - 84 |
| | <p>This report seeks to update Councillors on the performance of our capital projects against the approved budget, as at 30 June 2022.</p> | |
| 9. | Q1 Revenue Monitoring Report | 85 - 120 |
| | <p>This report provides a summary of the Quarter 1 (Q1) for the financial year 2022/23 as at 30 June 2022.</p> | |
| 10. | Corporate Peer Review Challenge Update | 121 - 124 |
| | <p>The Corporate Policy and Resources Committee (CPRC) has agreed that the Council will participate in a Local Government Association (LGA) Corporate Peer Challenge (CPC) later this year.</p> <p>This report seeks to provide the Committee with an update on progress with preparations for the CPC.</p> | |
| 11. | Surrey Delivery Board Update | |
| | <p>To receive a verbal update on the Surrey Delivery Board.</p> | |
| 12. | Recovery Action Plan | |
| | <p>To receive a verbal update on the Recovery Action Plan.</p> | |
| 13. | Forward Plan | 125 - 128 |
| | <p>To consider the Forward Plan for committee business.</p> | |
| 14. | Urgent Actions | 129 - 130 |
| | <p>To note those urgent actions which have been taken by the Chief Executive in consultation with the Leader since the last Corporate Policy and Resources meeting on 11 July 2022.</p> | |
| 15. | Exclusion of Public and Press | |
| | <p>To move the exclusion of the public and press in order to discuss the next item in view of the likely disclosure of exempt information within the meaning of Paragraph 3 or Part 1 of Schedule 12A of the Local Government Act 1972</p> | |
| 16. | Update on Council Developments | |
| | <p>To receive an update on the Council's Developments from the Development Advisor.</p> <p>Report to follow.</p> | |

**Minutes of the Corporate Policy and Resources Committee
11 July 2022**

Present:

Councillor J.R. Boughtflower (Chairman)

Councillors:

M.M. Attewell	T. Fidler	J.R. Sexton
I.J. Beardsmore	H. Harvey	V. Siva
M. Beecher	L. E. Nichols	

Substitutions: Councillors C. Bateson (In place of S.A. Dunn)

Apologies: Councillors A.J. Mitchell, C.F. Barnard, J.T.F. Doran, S.C. Mooney and R.J. Noble

68/22 Apologies and Substitutes

Apologies were received from Councillors Mitchell, Barnard, J Doran, S Dunn (substituted by Councillor Bateson), Mooney and Noble.

69/22 Minutes

The minutes of the meeting held on 20 April 2022 were agreed as a correct record.

70/22 Disclosures of Interest

Councillor Attewell declared that she was an assistant cabinet member at Surrey County Council.

71/22 Questions from members of the Public

There were none.

72/22 Ward Issues

There were none.

73/22 Shared Prosperity Fund

An introduction on the work of the task group was provided by its chair, Councillor Fidler. There was a short window, set by the government, in which bids for grant funding could be submitted. The working group had therefore carried out a significant amount of work in a brief period.

Ways in which the consultation exercise could be conducted, to ensure that it had the widest possible reach, were highlighted to the committee.

There were questions asked about the criteria used to assess applications. Members of the working group believed that the criteria used were robust and stated that they were happy to share these with the wider committee. Each applicant had been required to submit business plans which could also be made available to the committee.

The possibility of collaboration with Surrey County Council or other local districts, to ensure the best possible use of the fund, was raised. There was discussion about the proposals for the Oast House project, and how it would relate to wider proposals for the site.

It was anticipated that adjustments to any proposals put forward to the government could be sought if they became necessary.

The task group and its supporting officers were commended for what they had achieved in the short period of time available to them.

The committee agreed:

1. That the projects/proposals set out in Appendix B be included in the Investment Plan to be submitted to Department for Levelling Up, Housing and Communities.
2. That due to the time constraints on this project, consultation should be utilise as many avenues as possible including social media, established lines of communication with community groups, the council's website, etc.
3. That any final amendments to the Investment Plan document, as a result of feedback from the MP or the consultation, be delegated to the Group Head for Regeneration and Growth in consultation with the chair and vice chair of Corporate Policy and Resources Committee.

74/22 Surrey Delivery Board

A verbal update on the work of the Surrey Delivery Board, and the proposed County Deal, was provided. A more detailed written report would be provided in due course.

There was discussion about whether proposals would affect Spelthorne's economic development functions and whether funding would be drawn from the two local enterprise partnerships.

75/22 Procurement of Waste and Street Cleansing Vehicles

There was a discussion about whether Spelthorne Borough Council should be an early adopter of new lower emission technologies in view of its commitment to reduce its carbon footprint. The risks of doing so, in particular the uncertainty around the lifespan of such vehicles, were highlighted. The cost of doing so also needed careful consideration as it attracted a significant cost premium over more traditionally fuelled vehicles. The report was therefore seeking authority to obtain quotes for a variety of options, with a view to enabling councillors to make an informed decision around the purchasing and leasing of new vehicles in due course.

The length of the proposed leases was discussed. It attempted to balance the falling reliability of ageing vehicles (and the associated impact on service delivery) with the additional value for money obtained through longer leases. Additional considerations included the need to upgrade power and maintenance systems at the council's depot, should a large number of electric vehicles be purchased.

The Committee:

1. Authorised the Group Head of Neighbourhood Services to go out to tender for the replacement of the seventeen leased vehicles listed at paragraph 3.4 of the officer's report.
2. Authorised the Group Head of Neighbourhood Services to go out to tender for the replacement of four purchased vehicles listed at paragraph 3.4 of the officer's report.
3. Agree that the lease of the workshop at the White House Depot is incorporated into the maintenance agreement for the vehicles to reduce lease costs.

76/22 Disabled Facilities Grant Policy

The proposed policy would bring closer alignment to other authorities, many of whom had now taken into account newly released government guidance. The key differences between the proposed and existing policies (which had already been reviewed by the Community Wellbeing and Housing Committee) were highlighted.

The funding arrangements, including the handling of over and underspends, was discussed.

The committee agreed the Disabled facility Grant (DFG) and Better Care Funding Policy for disabled residents.

77/22 Procedures for dealing with applications to extend Council owned assets or develop on Council land

The current policy did not provide a mechanism for the community to bid to use council owned sites. It was therefore necessary to review the policy before any further decisions were made.

Some of the examples in the exempt appendix were discussed, in particular whether the sites were described correctly. This information would be reviewed by the task group. The task group would also review the structure of the policy to ensure that it was able to cater for a range of scenarios.

The committee:

1. Established a task group, as set out in the report, consisting of Councillors Attewell, Boughtflower, Nichols, Sexton and either the chair or vice-chair of the Economic Development Committee.
2. Agreed that Officers were not to pursue such applications until the Committee had approved a strategy.

78/22 Update for the Estimated Capital Programme 2022/23 to 2025/26

The level of the variances was discussed. It was confirmed that they were not of concern and primarily caused by project timelines changing, resulting in the need for them to be accounted for in different financial years. Members requested that a process be developed, to notify the Corporate Policy and Resources Committee, of budget variances on a periodic basis. It was also suggested that variances be clearly highlighted in reports.

The committee agreed the amendments to the estimated Capital Programme for the projects mentioned in the officer's report, resulting in a decrease to the estimated Capital Programme of £184,147.

79/22 Treasury Management Outturn report

The prudential indicators had all been given a 'green' rating (on the basis of red/amber/green) which was a positive outcome for the council. The transition to greener investments was underway, but would take time to carry out without introducing significant risk to the council's finances.

It was requested that an all councillor briefing be provided on the council's treasury management strategy.

The committee noted the treasury outturn position for 2021/22.

80/22 Q4 Capital Monitoring Report

The increase in capital costs was discussed. It was stated that delays in developments were a significant reason for this, particularly in the context of high inflation, especially in the construction sector.

There was discussion about the costs relating to existing projects. It was suggested that the Development Sub-Committee be asked to review this information in detail.

The committee:

1. Noted the current level of overspend on capital expenditure, for both the Council and the areas of responsibility for the Corporate Policy and Resources Committee, against its Capital Programme provision as at 31 March 2022.
2. Requested that the Development Sub-Committee review the request to increase the budget associated with the Oast House project, prior to making a recommendation to Council.

81/22 Q4 Revenue Monitoring Report

The committee noted the outturn for 2021/22 as at 31 March 2022 and:

1. Agreed to set aside £2.490m for the properties sinking fund.
2. Transferred £0.650m to the general fund
3. Transferred a £0.603m surplus from retained business rates to the business rates equalisation reserve.
4. Transferred £0.250m of the green initiatives fund to reserves.

82/22 Draft Unaudited Accounts 2021/22

There was discussion about the rental yields that the council was obtaining for its properties. It was requested that more information on void rates be provided in future reports.

The committee noted the report and the draft unaudited financial statements, based upon the Outturn Report for 2021/22, submitted and agreed earlier at this meeting.

83/22 22/23 Budget Pressures Due To Inflation

The committee approved the transfer of £362,000, as highlighted in paragraph 3.5 of the officer's report, to an earmarked reserve to be used to support the funding of the cost of living crisis during 2022/23.

84/22 23/24 Budget Setting Process

Due to the time constraints on the meeting, this item was deferred to an informal meeting of the Corporate Policy and Resources Committee, with any formal recommendations (where applicable) to be considered at a future committee.

85/22 Membership of the Collaborative Working Group

Due to the time constraints on the meeting, this item was deferred to an informal meeting of the Corporate Policy and Resources Committee, with any formal recommendations (where applicable) to be considered at a future committee.

86/22 LGA Corporate Peer Challenge

Due to the time constraints on the meeting, this item was deferred to an informal meeting of the Corporate Policy and Resources Committee, with any formal recommendations (where applicable) to be considered at a future committee.

87/22 Recovery Action Plan

Due to the time constraints on the meeting, this item was deferred to an informal meeting of the Corporate Policy and Resources Committee, with any formal recommendations (where applicable) to be considered at a future committee.

88/22 Forward Plan

It was agreed that:

1. A briefing on the Treasury Management Strategy be held for Corporate Policy and Resources Committee members.
2. A further briefing on the proposals for the Oast House site be held for all councillors.
3. A digital transformation working group be established, consisting of Councillors Beardsmore, Boughtflower and Nichols, with some proposed terms of reference considered at the Corporate Policy and Resources Committee on 10 October 2022.

4. A 'policy services' working group be established, with the membership and terms of reference to be considered at the Corporate Policy and Resources Committee on 10 October 2022. Due to the time constraints on the meeting, further consideration of this item was deferred to an informal meeting of the Corporate Policy and Resources Committee, with any formal recommendations (where applicable) to be considered at a future committee.

89/22 Urgent Actions

Due to the time constraints on the meeting, this item was deferred to an informal meeting of the Corporate Policy and Resources Committee, with any formal recommendations (where applicable) to be considered at a future committee.

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RECOMMENDATION FROM THE AUDIT COMMITTEE
CORPORATE RISK MANAGEMENT

Corporate Policy and Resources Committee: 12 September 2022

Report of the Audit Committee

- 1.1 The Audit Committee is responsible for considering the effectiveness of the authority's risk management arrangements and receives regular reports on risk issues.
- 1.2 The Audit Committee reviewed the updated Corporate Risk Register and accompanying report at its meeting on 28 July 2022 and noted the contents.
- 1.3 There are a number of significant risks with a red RAG rating and the Audit Committee considered that the Corporate Policy and Resources Committee may wish to review these to raise political awareness

Audit Committee Recommendation

The Audit Committee recommends to the Corporate Policy and Resources Committee:

- (1) That CPRC consider the significant strategic risks and issues highlighted in the report and Corporate Risk Register

Cllr Lawrence Nichols
Chair, Audit Committee

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Corporate Policy and Resources



12 September 2022

Title	Corporate Risk management
Purpose of the report	To consider a recommendation from the Audit Committee
Report Author	Punita Talwar, Internal Audit Manager
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	Not Applicable
Corporate Priority	The Corporate Risk Register outlines significant strategic risks impacting the effective delivery of all corporate priorities (CARES). Community Affordable Housing Recovery from Covid Environment Service Delivery
Recommendations	The Corporate Policy and Resources Committee is asked to: Consider and note the significant strategic risks and issues highlighted in this report.
Reason for Recommendation	The Corporate Risk Register continues to ensure that the Council's most significant risks in relation to achievement of corporate priorities and objectives are identified, managed, monitored, and reported. Continued visibility and ownership of the risks and issues raised in this report is recommended across the Council due to the significant and wide-reaching implications. This will support improved coordination in addressing risks and implementing mitigating actions.

1. Summary of the report

- 1.1 This report seeks to highlight significant strategic risks in delivering the Council priorities (CARES) and objectives, and key mitigation measures underway. The Council's most significant risks to highlight are the six risk categories assigned a red RAG rating, as follows:

- Housing – Development & targets

- Housing – Affordable
 - Economy
 - Financial Resilience and Communities
 - Sustainability and Climate Change
 - Corporate Capacity/Resources/Recruitment and Retention
- 1.2 The Corporate Risk Management Officer Group (officer led) meets three to four times a year, chaired by the Deputy Chief Executive (Chief Finance Officer). This forum provides an opportunity for officers to consider the risk register and identify any further corporate risks emerging or evolving.
- 2. Key issues**
- 2.1 The revised corporate risk register is set out at Appendix A and the Risk Action Plan at Appendix B.
- 2.2 The evolving economic position globally, the macroeconomic environment (in particular major inflationary pressures) and the geopolitical uncertainty arising from the Ukraine crisis have meant several risks on the corporate risk register continue to be influenced by external factors. Those risks are highlighted in blue to distinguish areas where risk mitigation measures may be limited in terms of actual outcomes due to externalities beyond the control of the council. A separate report on the impact and implications of wider externalities for the Council and its communities is also on the agenda for the July Audit Committee.
- 2.3 The Council's most significant strategic risks to highlight are the five risk categories that continue to be assigned a red RAG rating (see Appendix A), and a further risk category that has moved from an amber RAG rating to a red RAG rating based on risk assessment and application of the risk scoring model. This includes risk categories 1(a) (Housing – Development & Targets), 1b (Housing – affordable), 2 (Economy), 4 (Finance and Communities), 6 (Sustainability and Climate Change) and 7 (Corporate Capacity/Resources/Recruitment and Retention).
- 2.4 The corresponding risk action plan attached at Appendix B highlights actions completed, as well as 'work in progress' and 'continuous actions'. Four new actions have been added as part of this review across sections 2 (Economy), 4 (Financial Resilience and Communities) and 6 (Sustainability and Climate Change).
- 2.5 The key issues and developments to highlight as part of the latest review of the Corporate Risk Register are set out below at 2.5 (a) to 2.5 (e).

(A)Housing – Development and targets – red risk category 1a.

Definitive financial costs of delays to property schemes including ongoing monthly revenue and capital costs continue to be quantified, measured, and reported. As previously reported, continued delays equate to significant cost rises for the Council including loss of rental income (residential). Further viability assessments of proposed and approved residential development schemes are due to be undertaken to analyse the financial cost effect of increased PWLB loan rates, rising inflationary pressures including increased construction/materials/labour costs, and other important factors. If schemes are no longer considered financially viable and/or there are delays in realising

anticipated benefits, this will significantly impact achievement of development targets, delivery of the Council's Housing programme via Knowle Green Estates (KGE) and both affordable and non-affordable housing provision, impacting local communities and adding further pressure to Council services. Considering these challenges, adaptations to property developments continue to be reviewed to ascertain workable solutions. These risks and issues link closely with risk category 1b below (para 2.5(B)).

The Pre-Submission Publication Version of the Local Plan and Draft Staines Development Framework Publication were agreed by the Environment and Sustainability Committee on 26 April 2022 and subsequently at Full Council on 19 May 2022.

(B) Housing – Affordable – red risk category 1b.

Please refer to the issues highlighted at 2.5 (A) above as they are relevant for this section. Community Wellbeing and Housing Committee approved the revised social housing allocation policy in June 2022, providing a fully refreshed and refined approach to allocations. The £35m property acquisition scheme to purchase and manage readymade properties through Knowle Green Estates (KGE) in addressing housing need has been approved by Full Council. Processes are being developed to support implementation and a vacancy has been advertised to recruit a new Property Acquisition Project Manager position within the Housing Strategy team. Under the government funded assistance scheme Spelthorne have provided support to Afghan Families and to refugees from Ukraine.

(C) Economy – red risk category 2

The economic risks including the macroeconomic environment and rising inflationary pressures leading to a Cost-of-Living crisis continue to have a significant impact on Council operations, revenue streams, finances, consumer activity and local economic prosperity. The geopolitical situation, Ukraine crisis and political sanctions present wider implications and consequences including supply chain disruptions impacting agricultural commodities (fertiliser to mass-produce food) and availability of certain food groups (such as oil, seed and cereals) leading to inflated prices to the wholesaler/supplier/retailer/consumer. These food shortages also create further reliance on community services such as food-banks.

The Economic Prosperity Strategy and action plan to cover the next five years (2022 -2027) is under review and the challenging/evolving macroeconomic environment will be a pivotal consideration in shaping a future strategy for the Council. The refreshed Economic Prosperity Strategy will replace the Economic Development strategy and is due to be considered by the Economic Development committee for final adoption on 29 September 2022. The discretionary Additional Restrictions grant scheme has been fully allocated to support businesses and local economic recovery, with all funds spent by 31 March 2022 to meet timeframes stipulated by central government.

(D) Financial Resilience and commercial assets –amber risk category 3

Despite the impact of the pandemic and wider financial pressures, the commercial investment portfolio is performing well, with 99.98% collection rate achieved for 2021/22. Several mitigation measures are being developed further to help combat the impact of the significant inflationary pressures, cost of living crisis and adverse costs facing the Council. Spelthorne are continuing to increase its sinking funds which increased from £26m to £34m at the end of 2021/22. There are plans to extend the fortnightly 10-year worst case and expected case scenario projections to 20 years, due to be completed shortly. The Council are also embarking on reviewing the sinking fund methodology.

(E) Finances and Communities – red risk category 4 (previously amber)

We continue to experience an escalating cost of living crisis because of a combination of factors including the recovery from the pandemic, post-Brexit, geopolitical situation, the rising cost of goods and services, steep increases in energy/fuel/food/household and inflationary pressures. This is inevitably impacting sustainability of Council services adding significant costs and pressure to delivering services and the Council's financial position. This coincides with greater demands placed on Councils Services as the significant financial constraints being felt across local businesses, communities and households will accelerate need for greater support from the Council. An adverse consequence is the overstretched corporate capacity issues already being experienced are likely to be further exacerbated, with the implications of this on the workforce discussed under section 2.5 (G) below. There are also wider implications for community safety due to anticipated rises in anti-social behaviour during times of economic hardship.

A report to Corporate Policy and Resources Committee in July quantified the financial impact of inflationary pressures, increased PWLB loan rates and other factors on the Council's budget, reinforcing the need to make efficiency savings to address the anticipated budget deficit for current and future years. An inflationary pressure contingency reserve is being proposed to assist with the predicted budget deficit, subject to Council approval. Other financial constraints are to take effect such as a moratorium on additional growth/resource for 2023/24 unless it meets a statutory need or externally funded.

The collection fund is monitored regularly to assess the impact of the cost-of-living crisis on rates of collection for Council Tax and Business Rates , as the ability to pay becomes more challenging. The government energy rebate scheme has been implemented to support eligible residents with rising gas and electricity costs.

(F) Sustainability and Climate Change – red risk category 6.

An action plan is being developed to move the Council towards net zero carbon emissions. Environmental enhancements continue to be pursued such as installation of solar panels at the Nursery and reviewing options for improving energy efficiency at this site as well as the Council offices. Staff training to raise awareness of climate change in promoting the need to adapt to change is planned for September 2022. Establishing a coordinated strategy

for tackling Climate Change is underway, with a view to incorporating strategy related actions by September 2022.

(G)Corporate Capacity/Resources/Recruitment and Retention – red risk category 7

As previously reported, an ongoing risk prevails around corporate capacity remaining severely stretched with significant work pressures. The failure to effectively recruit to technical and other roles is also proving challenging with implications for gaps in skills/expertise/knowledge and service quality delivery, as well as additional consultancy costs. All these factors have further exacerbated the apparent pressures that continue to be felt across the Council. There are several consequences associated with overstretched corporate capacity and these are highlighted again due to their significance, including workforce fatigue and stress, negative impact on physical and mental wellbeing, increased sickness absence and turnover, loss of key personnel, and losing sight of priority focus areas impacting service delivery.

It is recognised that recruitment and retention challenges are being faced by employers across all sectors in the UK, with vacancies running at high levels in a competitive market. The LGA has acknowledged the specific issues facing the local government sector largely attributed to ongoing skills shortages. Several recruitment and retention measures have been in place over the course of time at Spelthorne, as recorded on the risk register. Spelthorne are Members of South East Employers newly formed Reward and Recognition Network to share best practice and learn from any initiatives taking place elsewhere. Any retention initiatives raised at a national level will be insightful in due course and may provide an opportunity to further refresh local initiatives taken. Exploring measures to help alleviate and mitigate the recruitment and retention issues facing the authority with a view to attracting and retaining talent therefore remains a work in progress.

The annual staff survey commissioned in May is designed to ascertain on an anonymous basis employee views covering several themes including workplace culture, values, recruitment and retention. Further to analysing employee views and feedback, any new approaches and practices developed should be measured over time to ascertain their effectiveness and positive impact in addressing recruitment and retention challenges. A Member survey has also progressed.

3. Options analysis and proposal

- 3.1 The revised register at Appendix A is an accurate reflection of the high-level significant risks affecting the Authority, based on our assessment of risk and controls in operation. To consider the contents of the Corporate Risk Register including any new or expanded risk categories, residual risks highlighted and risk mitigating actions underway or for perusal. To take necessary actions going forward in response to the significant issues raised in this report and as detailed in the register. The risk action plan at Appendix B outlines the progress made on actions previously proposed and includes new actions

which should be addressed as they impact delivery of corporate priorities and objectives, (preferred option); or

- 3.2 To recommend amendments to the Corporate Risk Register for consideration by the Corporate Risk Management Group.

4. Financial implications

- 4.1 As previously reported, there are major financial implications arising from some of the red RAG corporate risk categories discussed under section 2.5 above. Unless the Council addresses these issues, the Council will not be able to meet its statutory obligations given the major inflationary pressures and significant adverse costs being generated and likely to worsen, and neither will it be able to effectively deliver corporate priorities. As referred to under section 2.5, a report was issued to Corporate Policy and Resources Committee on 11 July setting out the financial implications for the Council arising from the extremely challenging inflationary pressures.

5. Risk considerations

- 5.1 The Council's corporate and strategic risks impacting the achievement of corporate priorities, represent the most significant risks facing the authority. At Appendix A the broad strategic risk categories, specific risk considerations and implications are identified and articulated, as well as the current controls and mitigation measures in place to manage these risks. As part of this review the controls have been presented in a separate column to the mitigation measures, incorporating a request from the Audit Committee. It should be noted that for some risk categories there may inevitably be a degree of overlap in terms of what constitutes a 'control action' and 'mitigation action', so these columns may be best if viewed in tandem. A risk action plan is set out at Appendix B, ensuring a mechanism to capture risk related actions and monitor their progress.

6. Legal considerations

- 6.1 Some corporate risks facing the Council as identified on the register are driven or influenced by statutory requirements. For example risk category 1b Housing – Affordable Housing – (iii) specific risk refers to the implications of the Domestic Abuse Act for the Council in terms of suitable housing provision.

7. Other considerations

- 7.1 As part of the forthcoming LGA Corporate Peer review planned for November 2022, this process will provide continued direction and insight in supporting the Council to address its significant strategic risks, considering overlapping themes around developments, housing, supporting communities and finances.

8. Equality and Diversity

- 8.1 Whilst there are no specific areas to highlight, it was requested at the July Audit Committee meeting future reviews incorporate Equality, Diversity and Inclusivity as a specific risk category on the Corporate Risk Register. Equality, diversity and inclusivity considerations for local communities, Councillors, and employees should stem from Council values, strategies and policies and be applied through behaviours, operations, service provision and processes.

9. Sustainability/Climate Change Implications

9.1 There are none separate to those in the Corporate Risk Register.

10. Timetable for implementation

10.1 The corporate management team and lead Committee hold collective ownership and accountability for ensuring these strategic corporate risks are effectively managed. The Risk Action Plan at Appendix B shows lead Council officers responsible for progressing actions, together with target timescales for implementation. The register is reviewed and updated three times a year in consultation with the corporate management team, Group Heads and Managers. It is coordinated, analysed, and reported by the Internal Audit Manager.

11. Contact

11.1 Internal Audit Manager, Punita Talwar. P.talwar@spelthorne.gov.uk
01784 446454

Background papers: There are none.

Appendices:

Appendix A – Corporate Risk Register (including risk scoring matrix)

Appendix B – Risk Action Plan

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APPENDIX A - CORPORATE RISK REGISTER

General Updates (As advised by Managers)	RISK REFERENCE & DESCRIPTION	CORPORATE PRIORITY	RAG & RISK RATING SCORE	CONTROL ACTIONS <i>*See Key</i> <i>These are specific actions to reduce the likelihood of a risk event or occurrence.</i>	MITIGATING ACTIONS <i>** See key</i> <i>These are specific actions to reduce the impact of a risk event should it occur.</i>
<p>1a. Benwell Phase 1 completed and 100% occupied (September 2021), and West Wing Occupied (Jan 22).</p> <p>Annual Housing Delivery Test Action Plan went to E&S committee on 9 November 2021 setting out how the Council is looking to increase housing delivery. It was also considered by Planning Committee on 5 January 2022.</p> <p>The Pre-Submission</p>	<p>1.(a) HOUSING – DEVELOPMENT & TARGETS</p> <p>(i)Failing to deliver housing development targets could lead to a loss of Spelthorne’s overall control as the Local Planning Authority, resulting in key decision making undertaken by other organisations.</p> <p>(ii) The Council is not able to deliver the Local Plan by the required timeframes, increasing the risk of unsuitable planning applications being submitted. Where planning applications have been refused but subsequently approved on appeal, this also has financial implications arising from developer claims to the Council.</p> <p>(iii)Delays in completing property development schemes, with significant repercussions for delivery</p>	<p>Supporting Communities</p> <p>Affordable Housing</p> <p>Service Delivery</p>	<p>RED Refer to the Risk Matrix</p>	<p>Housing Delivery Programme. Exploring other development opportunities within the borough. Strategy for the revised Local Plan (agreed by the E&S committee on 13 July 2021 plus a revised timetable to adoption of summer 2023).</p> <p>Further reporting to Council in May regarding the Local Plan.</p> <p>Weekly progress reporting of Property Development projects to officer Development</p>	<p>Annual Housing Delivery Test Action Plan.</p> <p>Annual Planning Performance report to E & S committee in March 2022.</p> <p>Financial monitoring and reporting, quantifying the impact of the moratorium and other delayed property schemes, as well as outlining mitigating actions moving forward.</p>

APPENDIX A - CORPORATE RISK REGISTER

General Updates (As advised by Managers)	RISK REFERENCE & DESCRIPTION	CORPORATE PRIORITY	RAG & RISK RATING SCORE	CONTROL ACTIONS <i>*See Key</i> <i>These are specific actions to reduce the likelihood of a risk event or occurrence.</i>	MITIGATING ACTIONS <i>** See key</i> <i>These are specific actions to reduce the impact of a risk event should it occur.</i>
<p>Publication Version of the Local Plan and Draft Staines Development Framework Publication were agreed by Full Council May 2022.</p> <p>Within the annual planning performance report, it highlights the risk around the number of overturns of major applications which are then allowed on appeal. If the 10% figure is breached, then the Council would</p>	<p>of housing schemes and targets (both affordable housing and general housing). Key development schemes within Staines-upon-Thames have been held up by the Moratorium, presenting increased delivery costs because of construction inflation. Non-development costs (approx. £1.2m over last year up to March 2022) have resulted in significant adverse financial impact for the Council. Increased rates from the PWLB and rising inflationary pressures will affect the viability of each project going forward, which could further impact delivery of housing targets.</p> <p>(iv)Delays in political decision making have an adverse impact on both timeliness and direction of Development schemes. Expanding the specification of properties generates more costs to Development schemes</p>			<p>Investment Group (DIG).</p> <p>Bi-monthly Assets Portfolio Working Group (with Chair and Vice of both CPCR and Development Sub-Committee) meetings are being held.</p> <p>Viability assessments of development schemes are required to take on board the increased cost of PWLB loan rates and further inflationary pressures to determine ongoing financial viability.</p> <p>Regular advisory reports to Members/Committees to inform decision</p>	

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exceed the government 'designation' threshold.	and consequently impacts the financial viability of schemes. (v) Inadequate strategic direction for Knowle Green Estates (KGE) in the provision of the Council's Housing delivery programme presents risks of failing to meet wider housing needs within the borough (beyond affordable housing), impacting effective delivery of housing development targets.			making, setting out development options and associated implications for the Council and local communities. Paper reported to March 2022 CPRC setting out options for repatriating surplus funds from KGE over the long term.	
1b Single person homeless facility with 27 beds and 4 move on units delivered in October 2021 with residents moved in January 2022. Facility managed by Thames	1.(b) HOUSING – AFFORDABLE (i)Lack of affordable housing supply increases homelessness (ii)Housing provision (types of units) does not meet local resident needs or address client special needs for accommodation	Affordable Housing Supporting Communities Service Delivery	RED Refer to the Risk Matrix	Housing Delivery Programme. Affordable Housing provision extends beyond those development schemes acquired by Spelthorne Borough Council (direct delivery). Collaborative working with Registered Social	Government funding to assist vulnerable families in rent arrears and who are at threat of eviction. Collaborative initiatives with Surrey County Council (e.g., Drug and alcohol abuse)

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<p>Metropolitan Housing.</p> <p>Under the ARAP scheme two Afghan families have been found accommodation (private sector landlords) on a medium-term basis and receiving support.</p> <p>Community Wellbeing approved a revised Tenancy Strategy</p>	<p>(iii) The Domestic Abuse Act presents additional pressures and demand as there is a requirement for victims of domestic abuse to be prioritised and rehoused in secure accommodation (parameters of what constitutes domestic abuse expanded under latest legislation)</p> <p>(iv)The conflict in Ukraine and refugee situation presents additional pressures in ensuring that fundamental needs are met in supporting new communities .</p> <p>(iv) Managing demand for social housing is extremely challenging given that anyone with a local connection can apply for housing to any Council.</p> <p>(v) Cost of Living crisis may lead to more homelessness cases and increased demand for social housing</p>			<p>Landlords and Partners to pursue delivery of affordable housing need; S106 agreements with Developers.</p> <p>Homelessness Reduction Act – proactive measures taken to address risk of homelessness.</p> <p>Measures to support Rough Sleepers, Afghan and Ukrainian refugee families under the government funded relocation and assistance scheme. Dedicated support workers.</p>	<p>Monitoring of Housing Register levels (currently approx. 3,000 households on the register).</p> <p>Review of allocation policy completed and approved by Community Wellbeing Committee in June 2022, with a view to adding greater efficiency to the housing register process and assigning social housing.</p> <p>Counter Fraud data matching initiative being pursued with A2D, with the objective of identifying potential social housing fraud occurrences, to free up</p>

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	The above risks and evolving individual circumstances lead to increased costs and pressure on the Council's Housing Service in responding to homelessness and growing numbers on the Housing register, impacting delivery of affordable housing provision across the borough. If fundamental housing needs are not met/maintained this may have a negative impact on the health and wellbeing of individuals/families.			<p>Housing and Homelessness Strategies. Quarterly monitoring of Strategic Action Plan. Regular review by officer Strategic Housing Group.</p> <p>Surrey reciprocal arrangement to re-house applicants across boroughs where local connection confirmed.</p> <p>£35m property acquisition scheme via KGE - Knowle Green Estates to purchase and manage readymade properties approved by Full Council in February</p>	social housing for those in genuine need.

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				2022, forming part of the capital programme. A process flowchart has been prepared, incorporating due diligence at key stages. Approval of new Property Acquisition Project Manager with a view to them supporting the scheme through relevant skillset.	
2. Funding secured (£100,000) from DWP for a Youth Hub for 18 – 24-year-olds to assist with job employability. Hub began operating	2. ECONOMY Evolving national economic position and ongoing recovery from previous pandemic lockdowns continue to have an impact on economic wellbeing locally, nationally and globally. The risk implications and threats to the Council are:	Supporting Communities Recovery from Covid	Red Refer to the Risk Matrix	Periodical review and reporting of the Economic Development strategy. To ensure continued relevance, this strategy is undergoing a complete refresh (to cover 2022 -2027) and referred to as the	Government assisted energy rebate scheme to support increased energy costs /bills.

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from Sunbury Business Incubator in January 2022. Officially launched 4 March 2022.	<ul style="list-style-type: none"> Residual risk to be accepted - whilst Council actions aim to support and influence sustained economic recovery, these alone cannot control outcomes due to the ramifications of the macroeconomic environment and geo political situation. Challenges in the recovery of the aviation sector is significant for Spelthorne's local economy and communities due to its proximity to Heathrow as a major employer in the area. Significant longer term reduction in income (fees and charges, such as Parking and retail letting of the Elmsleigh Centre) with decreased footfall in the town centres and uncertainty around future consumer activity patterns. 			<p>Economic Prosperity strategy.</p> <p>Additional Restriction Grant (ARG) fund spent by 31.3.22 to facilitate and support businesses in recovery of the local economy. Dedicated ED committee to consider Economic Development matters and receive reports on progress – role includes scrutiny of budgets and grant spend.</p> <p>Fortnightly monitoring of Business Rates and Council Tax collection rates as part of monitoring the effect</p>	

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	<p>This will continue to impact the Council's finances.</p> <ul style="list-style-type: none"> An increased level of business failures impacts economic prosperity of the borough and effects collection rates for business rate income, with reduced levels impacting finances and services available. On emerging from the pandemic, consumer led demand placed increased pressure on supply chains, leading to inflation, rising prices and increased living costs, with energy, fuel, food and household costs in particular continuing to rise at an alarming rate. The escalating inflationary pressures and Cost of Living crisis adversely impact 			of current pressures such as the Cost-of-Living crisis on the collection fund.	

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	<p>businesses, economic activity, Council services and residents.</p> <ul style="list-style-type: none"> The current economic environment may increase occurrences of anti-social behaviour, theft and fraud. 				
<p>Refreshed Capital Strategy considered at 7 February 2022 CPR Committee.</p> <p>LGA Finance Peer Review undertaken in late 2020 with action plan put in place to address recommendations.</p>	<p>3. FINANCIAL RESILIENCE AND COMMERCIAL ASSETS</p> <p>Evolving externalities arising since the aftermath of the pandemic have increased the Council's exposure to financial risk, with possible implications for the investment portfolio, including loss of anticipated rental income from commercial assets and poor investment returns. This may impact on the financial position, leading to the Council becoming financially unsustainable with associated reputational damage.</p>	Recovery from Covid	Amber Refer to the Risk Matrix	<p>Investment performance is monitored bi-monthly at weekly Assets Portfolio Working Group, and a quarterly performance report is produced for the Investment Portfolio. Fortnightly Asset Portfolio Working meetings are taking place to monitor income (investment portfolio doing very well - 99.98% collection rate last year 21/22 despite the</p>	<p>The Council is continuing to increase its sinking funds which increased from £26m to £34m at the end of 2021-22.</p> <p>Ten year worst and expected case sinking fund scenario projections are reviewed on a fortnightly basis and will be shortly extended to a 20-year time frame.</p> <p>A review of sinking fund methodology and</p>

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				<p>impacts of the pandemic). 95% of overall investment portfolio let.</p> <p>Due Diligence measures continue for tenant management.</p> <p>Development Sub-Committee approved a methodology for Business Plans for Investment Assets. Detailed business plans are under development for each investment asset.</p> <p>Capital Strategy includes key performance indicators with a particular focus</p>	<p>strategy is planned for summer 2022.</p>

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				on the investment portfolio. The Asset Management plan (reviewed annually) sets out key control measures. Development Sub Committee of Corporate Policy and Resources receives regular monitoring reports for scrutiny. Annual Performance Report. CIPFA FM Code self-assessment and Member reporting. Periodical monitoring and review of progress in addressing LGA Finance Peer review recommendations.	

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4. Update on Finance Peer Review Action Plan and CIPFA Financial Management Self-Assessment is periodically reported to the Audit Committee.	<p>4. FINANCIAL RESILIENCE AND SUPPORTING COMMUNITIES</p> <p>(i) Increased financial pressures faced by the Council arising from the continued inflationary pressures on fuel, gas and electricity, staff pay pressures, slowing down of the housing delivery programme, increased PWLB Loan rates and other external factors are collectively causing a significant increase in revenue costs and capital expenditure. This will have a significant impact on the Council's balanced budget for 2022/23 and the planned budget deficits from 2023/24 to 2025/26.</p> <p>(ii) Combined with reduced fee income and collection rates for Business Rates and Council Tax (exacerbated further by the Cost of Living crisis) this could have an adverse impact on the Council's</p>	<p>Supporting Communities</p> <p>Recovery from Covid</p> <p>Service Delivery</p>	Red Refer to the Risk Matrix	<p>Medium term financial strategy refreshed as part of the Budget process for 2022-23. CPRC put forward proposals for a balanced budget for 22-23 (and years 23-24 to 25-26 also balanced). Full Council approved budget on 24.2.22 . Fully refreshed Reserves Strategy</p> <p>Financial impact assessment modelling.</p>	<p>Inflationary pressure contingency reserve being proposed to assist with the predicted budget deficit, and subject to Council approval.</p> <p>Governance reporting. A report going to Corporate Policy and Resources Committee on 11 July 2022 setting out the financial impact of current pressures on the Councils' budget for 2022/23, 2023/24 and beyond, including material adjustments to the planned deficit. Proposals put forward for making efficiency savings to further safeguard the authority</p>

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	ability to deliver services as well as creating greater demands on community services, leading to a negative impact on the Borough's residents and communities (economic, social, physical, and mental wellbeing). Ongoing financial pressures could lead to the Council becoming financially unsustainable.				against this significant risk/issue.
5. On track (at March 2022) with meeting Prudential indicators and fair favourably on investments compared to other Council's.	5. TREASURY MANAGEMENT If the Council receives a reduced return on long term investments and/or investments become insecure in the current / future economic climate, then this will have an adverse impact on the Council's financial position, weakening financial resilience	Recovery from Covid Service Delivery	Amber Refer to the Risk Matrix	Treasury Management Strategy for 2022-23 approved by Members. Application of updated CIPFA Code of Practice and Prudential and Treasury Management Codes. Performance measurement and reporting.	Fixed interest rate on most debt and for investments an interest equalisation reserve is in place. Refer also to mitigating actions under section 4 above.

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				Aim to select counter parties of the highest credit quality. Credit ratings monitored. Council's investments managed internally in consultation with specialist advisors Arlingclose. Explore options for diversifying the portfolio.	
<p>6. Council commitment - declared Climate Change Emergency in October 2020.</p> <p>Council's 2020-21 Budget includes £747k specifically ring-fenced for</p>	<p>6. SUSTAINABILITY & CLIMATE CHANGE</p> <p>Climate change represents a significant global threat driving social and economic disruption with far ranging consequences for socioeconomic stability. Climate change and extreme weather events impact on health and safety, food systems, supply chains &</p>	Environment and Climate Change	Red Refer to the Risk Matrix	In view of Government targets for reducing carbon emissions / greenhouse gases to tackle climate change, the Environment and Sustainability Committee will continue to explore ways to meet a carbon neutral target by 2050	Recently installed solar panels at the Nursery as a renewable source of energy. Exploring options for improving energy efficiency of Nursery and Council offices.

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<p>Green Initiatives. Environment and Sustainability Committee of January 2022 agreed framework for prioritising bids to the Green Initiatives provision.</p> <p>Officers are working in the spirit of ethical and social responsibility to reduce the Council's carbon footprint. Reduced carbon emissions by 40% since 2012.</p>	<p>procurement, economic productivity, and losses. Due to climate change, there is a specific risk to the Borough of Spelthorne in terms of more extreme heat and increased flooding, besides the more global threats such as severe storms (threat to loss of life and limb) impacting locally. If the Council is not pursuing measures or seeking positive opportunities to mitigate and adapt to climate change, it could result in criticism/bad press/public demonstration and additional organisational pressures may result in a loss of focus around climate change and green initiatives. A lack of preparedness for the impacts of climate change may lead to Council Services no longer being sustainable or in a suitable position to operate in the future.</p>			<p>or earlier and to make recommendations on</p> <p>(i) How to apply the £747k fund</p> <p>(ii) Promote climate change as an issue that needs to permeate all Council areas to ensure we reduce our carbon footprint and adapt to climate change.</p> <p>Examples of measures taken so far: Sustainability Strategy; Energy & Water Efficiency Policy; Currently developing climate change strategy and actions. Professional group membership to share best practice and</p>	

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				knowledge such as Surrey Energy & Sustainability Partnership (SESP) and Association of Lead Energy Officers (ALEO). Implementing energy efficiency measures in Council owned buildings. Increasing renewables capacity. Officers working with relevant Committees and Treasury Management advisers on how we can transition investment portfolio to a more sustainable basis. In September 2022 undertaking staff training on climate change.	

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7. With additional projects with tight deadlines, workload pressures have been intense. (Examples - Staines Health and Wellbeing Centre, Cultural Development Fund, supporting refugees, delivering Whitehouse Hostel and Harper House, producing viability proposals, implementing scheme to pay out Household Support Fund	7. CORPORATE CAPACITY, RESOURCES , RECRUITMENT AND RETENTION (i)Overstretched capacity exacerbated by the additional workload, new Committee system of governance and demands arising from pandemic recovery (as well as the departure of several experienced staff) could lead to increased staff fatigue / burnout / sickness levels arising. This may impact further on employee stress levels and mental / physical wellbeing, which may also lead to reductions in expected service delivery. (ii)Residual risk refers to the risk that remains after control processes and measures to eliminate some or all the inherent risks have been made. It could be deemed that due to the	ALL PRIORITIES	Amber Refer to the Risk Matrix	Capacity management - Management to address workload issues across teams , with continued prioritisation of tasks. Responsibility to remain alert to stress related risks of demanding workload. The need to treat colleagues respectfully has been recognised and communicated. Corporate values under the acronym PROVIDE form part of the Corporate Plan. Over time it is the intention for the Council's values to	Staff can access welfare information on Intranet. Support is available for mental and emotional wellbeing including mental health first aiders and Care First. This scheme has been promoted through regular staff communications. Monitoring of sickness absence providing corporate view of stress issues.

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<p>grants and Energy Rebate schemes,</p> <p>It is proving more difficult to recruit into technical roles, as well as some non-technical posts. For several posts recently advertised there are few or no suitable candidates applying. (This could impact on resourcing and further stretch staff already under considerable workload pressures).</p>	<p>nature of the risk set out at 7i above with reference to causes and consequences, as well as the continuation of intense work pressures, some residual risk may continue. In acknowledging this, the Council may wish to either:</p> <p>-Do nothing on the basis that the controls have proven effective enough to reduce the risk to an acceptable level, OR</p> <p>-Increase or modify controls to reduce the risk to a level that is regarded acceptable, OR</p> <p>-Evaluate the cost of revised control and mitigation measures vs benefits and whether this is deemed necessary to bring the risk to an acceptable level</p> <p>(iii) Unsuccessful recruitment and ongoing unfilled vacancies lead to a reduced level of technical skills and relevant expertise operating across</p>			<p>become further embedded into behaviours, policy and processes (including recruitment)</p> <p>Annual staff survey recently commissioned (May 2022) which is designed to ascertain employee views on several themes including workplace culture, values, recruitment and retention. Feedback from the survey will be analysed with a view to making any necessary improvements and changes.</p>	

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<p>The Group Head of Commissioning & Transformation and the HR Manager attended the Audit Committee on 24 March 2022 to discuss the position and reinforced to Members the current challenges across the recruitment market nationally, as well as the skill shortages within the local government market. Since COVID, it has become apparent that some long-standing employees have</p>	<p>Services. Staff shortages further exacerbate workload pressures across teams. The consequences of this risk are set out earlier at 7i.</p> <p>(iv) Ineffective or inappropriate recruitment could result in appointments that fail to effectively meet business need leading to reduced service quality.</p>			<p>Growth bids for additional resourcing have formed part of annual budget process (moratorium restrictions being implemented going forward), with 17 FTE approved for 2022/23.</p> <p>Several recruitment and retention measures have been underway for some time, with examples below:</p> <p>(i) A Recruitment and Retention Policy and Market Supplement Scheme to offer financial enhancements for</p>	

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chosen to retire earlier than they may have otherwise done, and this is beyond the control of the Authority.				<p>hard to fill posts which are agreed by MAT.</p> <p>(ii)An apprenticeship training programme to upskill existing staff and offer development opportunities to new hires.</p> <p>(iii)An Employee Assistance Programme scheme and Mental Health First Aider Scheme to assist with staff wellbeing</p> <p>(iv)Implementation of hybrid working in response to staff feedback) and ensuring that staff are fully equipped to work from home.</p> <p>(iv)Flexi time working arrangements</p>	

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				(v)An exit interview scheme that encourages leavers to engage, providing an opportunity for SBC to learn, improve and apply where appropriate for the future. (vi)A 2% pay increase approved for 22/23 (24.2.22) plus an extra 0.5% for staff on Grades 1 to 5. Awaiting the outcome of the national pay settlement and any further action. (vii)Members of South East Employers newly formed Reward and Recognition Network to share best practice and to learn from any	

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				initiatives taking place elsewhere (this is a work in progress) (viii) Collaborative working and Partnerships being explored with a view to enhancing organisational and service resilience, promoting career opportunities and staff retention measures. Working group in place.	

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Risk Scoring Matrix

This is the matrix that is used across the Council

Red risks require prompt, planned management action

Amber risks require planned management action

Green risks are accepted risks

Impact	4 (Catastrophic)			2, 6	
	3 (Major)			3; 5	1 (a); 1 (b); 4; 7
	2 (Medium)				
	1 (Trivial)				
		1 (Rare)	2 (Unlikely)	3 (Likely)	4 (Almost certain)
		Likelihood			

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How risks are scored:

We score risks, with their current controls in place, for likelihood and impact as shown below:

Score	Impact	Likelihood (over 4 years or timescale deemed appropriate)
1	Trivial	Rare (once)
2	Medium	Unlikely (a few times / less than annual)
3	Major	Likely (several times / more than annual)
4	Catastrophic	Almost certain (many times a year)

Impact can be measured in many ways and will be specific to what you are assessing, but the most common are on objectives, finance, and reputation.

KEY

- *Controls and Mitigation* - Any action taken to manage risk and increase the likelihood that established objectives will be achieved.
- **Control Actions* - These are specific actions to reduce the likelihood of a risk event or occurrence.
- ***Mitigating Actions*- These are specific actions to reduce the impact of a risk event should it occur.

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APPENDIX B DETAILED RISK ACTION PLAN – REVIEWED JUNE 2022
COMPLETED ACTIONS ARE SHADED IN GREEN, CONTINUOUS ACTIONS ARE IN BLUE, NEW ACTIONS ARE IN PINK

RISK CATEGORY REFERENCE (AS IN THE CRR)	ACTIONS (SMART)	DATE ACTIONS ADDED	LEAD OFFICER DATE ACTIONS REVIEWED & WHOM BY	TIMELINE FOR DELIVERY (MONTH AND YEAR) (INCLUDES ALL REVISED TARGET DATES)	STATUS (IMPLEMENTED / IN PROGRESS OR OUTSTANDING) (REPORTED STATUS AT JUNE 2022)
1a. HOUSING – Development & Targets	1a (i). Preparation and adoption of New Local Plan to meet future need and strengthen affordable Housing Policy	March 2020	Lead - Strategic Planning Manager (Ann Biggs) <i>Action reviewed by Group Head Regeneration & Growth on 7.10.21</i> <i>Action reviewed by Group Head Regeneration & Growth on 09.02.22</i> <i>Action reviewed by Group Head Regeneration & Growth on 24.06.22</i>	(i) March 2022 (ii) Revised – June 2023	BEING IMPLEMENTED/IN PROGRESS Environment and Sustainability committee agreed the revised Local Development scheme on 13 July 2021 The Pre-Submission Publication Version of the Local Plan and Draft Staines Development Framework Publication were agreed by the Environment and Sustainability Committee on 26

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					April 2022 and then at Council on 19 May 2022
1a. HOUSING – Development & Targets	1a (ii). Greater strategic direction for Knowle Green Estates (KGE) will support progress in delivering Council priorities, development targets and addressing housing needs (affordable and general).	October 2021	Lead - Management Team. <i>Action to be reviewed</i>	(i)March 2022 (ii)Revised – September 2022	IN PROGRESS Paper reported to March 2022 Corporate Policy and Resources Committee (CPRC) setting out options for repatriating surplus funds from KGE over the long term.
1b HOUSING – Affordable	1b (i). Service Level Agreement to be put in place with registered providers to take forward cases of alleged tenancy fraud	March 2020	Lead - Housing Strategy Manager (Marta Imig) <i>Action reviewed by Housing Strategy Manager on 3.10.2021,28.1.22 & 28.6.22</i>	(i)June 2020 (ii)Revised – 2021 (iii)Revised – October 2021 (iv) Revised March 2022	IN PROGRESS To undertake a targeted data matching exercise, requiring collaborative working. Delays

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				(v) Revised July 2022 (vii) Revised October 2022	encountered. Discussions underway with Registered Provider.
2.REGENERATION AND GROWTH	2i.The Economic Prosperity Strategy is being reviewed and fully refreshed to cover 2023 – 2028. It will incorporate any residual actions from the Corporate recovery plan.	June 2022	<i>Group Head Regeneration and Growth (Heather Morgan)</i>	(i) September 2022	NEW ACTION & IN PROGRESS Some elements already shared and considered with the Economic Development Committee. The final draft of the strategy will be considered by the Economic Development committee for final adoption on 29 September 2022.

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3. FINANCIAL RESILIENCE AND COMMERCIAL ASSETS	3i. Continued monitoring and recovery of significant rental income due from the Council's commercial property portfolio. Worst case and expected case scenario modelling of next 10 years for sinking funds adequacy refreshed and reviewed on a fortnightly basis by Rent Collection Review meeting. We will be extending the modelling from 10 years to 20 years. A review of the sinking fund methodology is to take place in Summer 2022.	2018	<i>Continuous Action reviewed by Group Head Regeneration and Growth on 7.10.2021 and Deputy Chief Executive - Chief Finance Officer 15.10.21</i> <i>Current Operational Lead for Assets - Deputy Chief Executive, Lee O'Neil</i> <i>Action reviewed by Deputy Chief Executive - Chief Finance Officer 17.6.22</i>	Continuous action	IMPLEMENTED & ONGOING/IN PROGRESS Detailed individual business plans are under development for each of our investment assets. At June 2022, shortly to extend the scenario modelling from 10 to 20 years.
3. FINANCIAL RESILIENCE AND COMMERCIAL ASSETS	3ii. Continued application of CIPFA'S Financial Management Code (responsibility of whole organisation) in close	March 2021	Lead Officer - Deputy Chief Executive - <i>Chief Finance Officer</i>	Continuous action	IN PROGRESS Financial Management Code Self-Assessment taken to November

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	alignment with the LGA Financial Peer Review recommendations		<i>Action reviewed by Deputy Chief Executive 15.10.21, February 2022, June 2022.</i>		2021 Audit Committee. Action Plan for Finance Peer Review recommendations periodically reported to Corporate Policy and Resources and Audit Committee.
4. FINANCIAL RESILIENCE AND SUPPORTING COMMUNITIES	4i. Identifying additional inflationary pressures impacting the Council's budget and financial position.	June 2022	Lead Officer - Deputy Chief Executive - <i>Chief Finance Officer</i>	Continuous Action	NEW ACTION & IN PROGRESS Report to CPRC July 2022 identifying additional inflationary pressures of approximately £1.2m impacting on the 2023/24 budget. A number of mitigating actions are being taken to tighten the 2023-24 Budget process.

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6. SUSTAINABILITY & CLIMATE CHANGE	6i. Developing an action plan to move the Council towards net zero carbon emissions	June 2022	Lead Officer - Group Head Commissioning & Transformation (Sandy Muirhead)	(i)October 2022	NEW ACTION
6. SUSTAINABILITY & CLIMATE CHANGE	6ii Following approval of the £747k Green Initiatives Fund as part of the Council's 2021/22 Budget, recommendations to be made as to how to apply that fund	March 2021	Lead Officer - Group Head Commissioning & Transformation (Sandy Muirhead) <i>Action reviewed by Group Head Commissioning & Transformation 10.2.22</i> <i>Action to be reviewed</i>	(i)June 2021 (ii)Revised October 2022	IN PROGRESS Environment and Sustainability Committee of January 2022 agreed framework for prioritising bids to the Green Initiatives provision.
6. SUSTAINABILITY & CLIMATE CHANGE	6iii. County are leading on developing a strategy on climate change across the Surrey authorities	March 2021	Lead Officer - Group Head Commissioning & Transformation (Sandy Muirhead) <i>Action reviewed by Group Head Commissioning &</i>	(i)Revised September 2022 (previously ongoing)	IN PROGRESS Working in partnership with SCC / Boroughs and Districts to develop a Climate Change strategy and related

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			<i>Transformation 10.2.22 & 24.6.22</i>		actions with a view to September 2022 publication
6.SUSTAINABILITY & CLIMATE CHANGE	6iv. Training is being arranged to raise awareness and enhance understanding of Climate Change issues across the Council.	June 2022	Lead Officer - Group Head Commissioning & Transformation (Sandy Muirhead)	(i)September 2022	NEW ACTION Training scheduled to be delivered to staff in September 2022.
7. CORPORATE CAPACITY, RESOURCES, RECRUITMENT AND RETENTION	7i. Monitoring impact of departure of experienced officers and managing associated loss of organisational knowledge and talent. Review of staff retention measures to reduce and mitigate the risk of staff departures.	March 2021	ALL / Group Head Commissioning & Transformation (Sandy Muirhead) <i>Action reviewed by Group Head Commissioning & Transformation 10.2.22</i>	Continuous action	IMPLEMENTED & ONGOING 2% pay increase approved for 22/23 (24.2.22) plus an extra 0.5% for staff on Grades 1 to 5. Spelthorne are Members of South East Employers newly formed Reward and Recognition Network

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					to share best practice and learn from new initiatives.
7. CORPORATE CAPACITY, RESOURCES, RECRUITMENT AND RETENTION	7ii. The continuation of excessive workload pressures exacerbated further by the Committee system of Governance needs to be kept under regular review in view of the significant risk implications (as set out on the Corporate Risk Register at Appendix 1).	February 2022	Management Team <i>Action to be reviewed</i>	Continuous action	IN PROGRESS
7.CORPORATE CAPACITY, RESOURCES, RECRUITMENT AND RETENTION	7iii. Continue to explore new and innovative recruitment and retention strategies in a competitive market.	February 2022	Group Head Commissioning & Transformation (Sandy Muirhead) and HR Managers <i>Action reviewed by Group Head Commissioning & Transformation (Sandy Muirhead) 24.6.22</i>	(i)June 2022 (ii)Revised October 2022	IN PROGRESS Collaborative working with professional groups such as South East Employers to explore options and

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					strategies. This is a 'work in progress'.

COMPLETED ACTIONS IN GREEN

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1a. HOUSING – Development & Targets	1a Viability assessments for Staines property developments affected by the Moratorium are underway	March 2020	<i>Action reviewed by Group Head Regeneration and Growth on 7.10.2021</i>	(i) JULY 2021 (ii) Revised - October 2021	COMPLETED Viability assessments for a range of options completed

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			<i>Current operational Lead for Assets – Property and Development Manager (Nick Cummings) and Deputy Chief Executive (Lee O’Neil).</i>		for Whitehouse residential and Thameside House. Development Sub-Committee further considering the viability options following referral to Council. CPR committee agreed on 19 January 2022 that the Moratorium was no longer in effect.
1b. HOUSING – Affordable	1b Set up a Homelessness Strategy working group to support achievement of aims	March 2020	Lead - Housing Strategy Manager (Marta Imig) <i>Action reviewed by Housing Strategy Manager on 3.10.2021 .</i>	(i)August 2020 (ii)Revised – May 2021 (iii)Revised – July 2021	COMPLETED A working group has been set up and Homelessness Forum established with quarterly meetings. Representatives from multiple agencies. Partners are finding the meetings very useful.
1b. HOUSING – Affordable	1b Establish and approve clearly defined Terms of Reference for the Homelessness Strategy working group to support achievement of aims	March 2020	Lead - Housing Strategy Manager (Marta Imig) <i>Action reviewed by Housing Strategy Manager on 14.6.2021</i>	(i)December 2020 (ii)Revised – May 2021	COMPLETED

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1b HOUSING – Affordable	1b (ii) Policy to procure readymade properties approved by Corporate Policy and Resources Committee and will go to Full Council for a decision.	November 2021	Lead – Group Heads Community Wellbeing <i>Action reviewed by Housing Strategy Manager on 28.1.22 & 28.6.22</i>	(i) February 2022	COMPLETED Full Council decision and approval of scheme 24.2.22
2.ECONOMY	2. Identification and delivery of prioritised actions in the Economic Development Recovery Plan	March 2021	Lead - Economic Development Manager (Keith McGroary) <i>Reviewed by Group Head Regeneration and Growth on 7.10.2021</i>	Drafting and agreement of plan and targets. Delivery ongoing and to extend beyond the end of the current 4-year Council cycle.	COMPLETED Draft recovery plan considered by the Economic Development Committee on 22 June 2021 Update on all actions completed to date considered by the ED Committee on 21 September 2021

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2.ECONOMY	2(i)Development of a policy on Additional Restrictions Grant (ARG) spend – grant amounts to c.£2.2m	June 2021	<p><i>2iii. Lead – Economic Development Manager.</i></p> <p><i>Action reviewed by Group Head Regeneration and Growth on 7.10.2021 & 09.02.22</i></p> <p><i>Action reviewed by Group Head Regeneration and Growth on 24.06.22</i></p>	<p>2i. Additional Restrictions Grant (ARG) to be applied up to end of March 2022. Target for a policy to be in place by September 2021. (Revised at prior review to October 2021)</p>	<p>COMPLETED April 2022</p> <p>At the ARG meeting of 12 January 2022 agreement was reached on the areas for the last tranche on monies to be spent. An update was provided at the January meeting regarding the £198k top up grant.</p> <p>ARG Task Group set up to specifically consider how to best spend the remaining monies (£770K remaining at 16.3.22) to ensure businesses benefit the most in terms of recovery and future growth.</p> <p>Monies allocated and spent in accordance with the ARG policy by end March 2022 (as required by government policy)</p>
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3.FINANCIAL RESILIENCE & COMMERCIAL ASSETS	3. Property Management Software to be applied for billing tenants on the investment properties (previously indicated by the end of 20/21) and for municipal properties thereafter	November 2020	Lead - Group Head Regeneration & Growth (Heather Morgan) <i>Action reviewed by Group Head Regeneration and Growth on 11.6.2021</i> <i>Current operational Lead for Assets – Property and Development Manager (Nick Cummings)</i>	(i) March 2021 (ii) Revised - June 2021	COMPLETED Software in place and tenants in single let investment properties invoiced via system from end June 2021
6i.SUSTAINABILITY & CLIMATE CHANGE	6i. Identification and perusal of prioritised 'Green recovery' actions in the Council's broader recovery plan for Covid-19	March 2021	Lead Officer - Group Head Commissioning & Transformation (Sandy Muirhead) <i>Action reviewed by Group Head Commissioning & Transformation 19.10.21 & 10.2.22</i>	(i) April 2021 (ii) Revised March 2022 (iii) Revised June 2022	COMPLETED Also developing an action plan to move the Council to net zero

Updates coordinated by Internal Audit Manager, June 2022

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Corporate Policy & Resources Committee

12 September 2022



Title	<i>2023/24 Budget assumptions in respect of the level of inflation for salaries, costs and fees and charges.</i>
Purpose of the report	To make a decision
Report Author	<i>Paul Taylor Chief Accountant</i>
Ward(s) Affected	All Wards
Corporate Priority	Community Affordable housing Recovery Environment Service delivery
Recommendations	<p>The Committee is asked to agree the following budget assumptions for 2023/24:</p> <ol style="list-style-type: none"> 1. Salaries 5% 2. Costs 3% 3. Fees & Charges <ol style="list-style-type: none"> a. 5% Concessionary b. Charge the maximum allowed for statutory fees and charges. <p><i>Based upon these calculations, as set out in 3.11 below, there would be a £1.27m deficit in the budget and officers would be required to make savings in a variety of ways as set out on 3.6 (a) to (m) below.</i></p>
Reason for Recommendation	<p><i>As part of the annual 2023/24 budget setting process Council is required to set the assumptions around inflation for Officers to follow, noting that for 2022/23, our assumptions and budget were approved, before the recent inflationary rises (Cost of Living Crisis) impacted on the Council's finances.</i></p> <p><i>Therefore, there is an element of catching up to be considered as well and a thorough assessment of the assumed rate of inflation for 2023/24.</i></p> <p><i>In such volatile conditions, it can be difficult to see a clear pathway ahead, however, with good financial management and a collaborative approach the Council will aim to mitigate the effects of soaring inflation on its residents and protect its medium term reserve position, and Officers propose to carry out a review of the</i></p>

1. Summary of the report

- 1.1 This report seeks to set out the budget assumptions in respect of inflation for: Employment, Costs (Contracted and non-contracted) and Fees and Charges income, as well as addressing the challenges from the 2022/23 budget that could impact on 2023/24 Budget Setting process.
- 1.2 The report sets out some recommendations for the budget assumptions on inflation for employment, costs and income and provides Council with an insight to the budget deficit caused by the cost of Living crisis.

2. Key issues

- 2.1 The impact of the inflationary pressures are being felt throughout the Council and no department is unaffected by its impact and according to the Chartered Institute of Public Finance & Accountancy (CIPFA) survey on the impact of inflation on councils, the use of medium to long term reserves to solve a short term challenge is not the way forward, if Council is wanting to avoid deferring even larger problems for later years.

- 2.2 In broad terms the Council budget breakdown into the following categories:

- (a) £20.6m Employment Costs
- (b) £12.7m Other Costs
- (c) (£7m) Fees & Charges Income

Subject to the comments below, particularly for fees and charges, a one percent movement in each category has the following impact on the budget:

- (a) Employment costs £206k variance
- (b) Other costs £127k variance
- (c) Fees & Charges income £70k variance

- 2.3 Therefore, should Council decide to implement a budget assumption of 9% for the 2023/24 pay award it will cost £1.854m (£206k multiplied by 9).

- 2.4 The Council has already set up a short term reserve to assist with the funding gap caused by the cost of Living crisis and that balance stands at £320k which can help partially mitigate the gap in 2022/23 on a one-off basis.

- 2.5 As set out in the 2022/23 Budget Pressures due to inflation report (CP&R 12 July 2022) there are a number of inflationary factors that are impacting on the Council, including:

- (a) Salary
- (b) 3 yearly pension valuation feeding through into employer contributions
- (c) Petrol and Diesel costs
- (d) Electricity & Gas

- 2.6 There is a significant gap between the average inflation assumptions made in the budget regarding paying the previous years, where the Council was

looking at an award of between one and two percent, which broadly matched the annual inflationary increase.

- 2.7 With the current level of inflation, as measured by the Consumer Prices Index CPI, running at just above ten percent (July 2022), and forecast by the Bank of England to peak at just over 13% in October, our local pay offer will need to be considered carefully, once we have finalised the impact of the national pay award in 2022/23 and the roll out impact of that on 2023/24 and beyond.
- 2.8 This would indicate that using average percentage figures rather than absolute figures for the national pay award, the Council is looking to an average pay uplift of 3.7%, with the lowest paid scale point averaging just under ten percent, reducing to two percent, the further up the scale point you go.
- 2.9 Fuel costs for our refuse vehicles and ground maintenance machinery have seen significant increases in prices over the last twelve months, of almost fifty percent, noting that in the last couple of weeks the average price per litre have fallen by an average seven percent.
- 2.10 Significant inflationary increases are also being seen in the Council's electricity and gas prices, noting that approximately seventy five percent of the Council's electricity and gas bills are looked after through our main supplier Laser. Each year, our charges are negotiated and fixed for twelve months (November), providing a little more certainty, and reducing our exposure to monthly inflationary increases throughout the year.
- 2.11 Other areas to challenge the Council include
 - (a) Costs – contracted and non-contracted
 - (b) Fees and charges – statutory and concessionary.
- 2.12 The Council must look at all its costs and in particular what are the contractual inflationary increases permitted with the contract.
- 2.13 This is a twin edge sword, as the Council looks to minimise any increase in the contract price, noting that this may push suppliers, particularly small local suppliers, over the edge and into bankruptcy in a worst case scenario.
- 2.14 Officers must be aware of the terms of every contract and communicate the inflationary issues on their cost centre to their finance business partner, so that this can be monitored more closely. Noting that the Council could have to operate different inflation rates, or a pooled average rate, subject to the contract, for example, food inflation is running at almost 30% and this is impacting our Meals on Wheels service, with difficult decisions ahead on how much to raise charges, or reduce our service offering, to a cohort of vulnerable residents.
- 2.15 Where appropriate and to protect the Council and the residents, officers should be working closely with suppliers to renegotiate deals.
- 2.16 Collars and Cuffs – this applies to both contracts with both our suppliers and customers. The nature of these mechanisms can seriously undermine the financial wellbeing of the Council and should be carefully avoided if the Council is to minimise its exposure to risk and ensure that it does not take on, an unfair share of either suppliers or customers inflationary risk.

- 2.17 Fees and charges, this is one of the most critical elements of our budgets and provides in excess of seven million pounds to support our services and contribute to the regeneration of the Borough.
- 2.18 Many of our fees and charges, particularly parking have suffered under during the pandemic and this new inflationary pressure will further slowdown the green shoots of recovery.
- 2.19 This was of course offset by increases in other areas, such as, planning fees as residents remained at home and invested in their properties.
- 2.20 This then leads onto the next challenge the Council faces with fees and charges, namely the impact on demand, when fees and charges are increased. At what price point does demand fall for services, reducing the contribution to service revenue? Equally we have to recognise the financial pressures residents and businesses within the Borough are under.
- 2.21 This really applies to our non-statutory fees and charges, as the Council has little or no control over the statutory fees and charges, other than where to set the fee, if provided with an upper and lower range by the regulators. Officers would be recommending that Council charge the maximum fee permitted for our statutory fees and charges.

3. Options analysis and proposal

- 3.1 Doing nothing is not an option.
- 3.2 The next key observation is that the Council, Officers and Residents are in this together and the burden should be shared, rather than applied to just one area or cohort.
- 3.3 The first issue to address is what to do about the short fall in 2022/23 as any changes to figures, for example, if Council agrees to match the national pay award, this will result in an additional £400k being required to fund this in 2022/23 and future years as the base level of salaries increases.
- 3.4 This would mean that based on the example in 2.3, we would need to add £436k (£400k multiplied by 1.09) to that figure, for the increase base salary costs from 2022/23.
- 3.5 Therefore, careful management of the actions taken to control the Cost of Living crisis in 2022/23 is required, as it will impact on the 2023/24 budget.
- 3.6 As the Council is unable to increase Council Tax for 2022/23, the remaining options to consider are:
 - (a) Cashable Root and Branch savings – a fixed percentage saving may be required.
 - (b) Digital Transformation – for example, automating and standardising processes, for example, to centralise interna processes or working direct with suppliers via their supply chain. need to draw out how over Outline Budget period will result in cashable revenue savings.
 - (c) Procurement savings- a need to set some quantifiable cashable savings which will impact on the Revenue Budget and because of the potential risks and possible savings that can be achieved, perhaps ensure that Procurement considerations are added to all future reports, in the same way, Risk and Legal considerations are.

- (d) A moratorium on growth bids for additional FTEs exempt where a statutory requirement or externally funded.
- (e) Use of reserves in a planned short term way to bide time for savings to be delivered or, as Corporate Policy & Resources recently approved, the establishment of an earmarked support the protection and delivery of key services throughout the Borough.
- (f) Collaborative working with other Councils and partners to deliver cashable savings as well as improved resilience
- (g) Energy efficiency investments which will reduce revenue running costs over time
- (h) Delivering the Council's affordable housing targets easing pressures on the Council's Revenue Budget.
- (i) Contract renegotiations where appropriate
- (j) Using Spelthorne Direct Services (the Council's commercial waste subsidiary) to take over third party contracts and retain the 'cash' within the Council.
- (k) Explore reducing the Council's office footprint to deliver over Outline Budget period a net ongoing revenue benefit
- (l) Growing the number of residents who take up our services, for example, green waste bins, can we obtain five new customers in 'Acacia Avenue' as we are already collect other bins from that location.
- (m) What initiatives and strategies can we develop to increase the frequency of spend from our existing customer base in each cost centre, are there opportunities to cross sell some of our services?

The above needs to be quantified and plans implemented to deliver the cashable savings over the next two to four years.

- 3.7 Council should consider making a £1m emergency earmarked reserve available to ease the impact of the Cost of Living Crisis on services in 2022/23 and 2023/24.
- 3.8 No increase in inflation rates for 2022/23 is proposed and the Committee as part of the Budget process will need to form a view as to a recommendation to make to Council on whether, being mindful of the recruitment and retention challenges the Council is facing, to seek to match the national employers 22/23 uplift or to take a view as to whether that is affordable within the Budget process. As mentioned above, to match the national pay award would cost the Council approximately £400k.
- 3.9 It would also be possible to consider using the £320k set aside in the earmarked inflationary support reserve to meet the majority of the national pay award should council prefer an alternative recommendation. This would alleviate the additional risks highlighted in 5.7 and 5.8 below. Turning now to the budget assumptions for 2023/24.
- 3.10 Council should take the following balanced approach to budget assumptions, to spread the impact across all stakeholders.
 - (a) Council applies the maximum Council Tax increase

- (b) Salaries – Council applies a 5% pay award, noting that this could be weighted in favour of the lower paid grades.
 - (c) Whilst it may be difficult to manage increased costs through contracts, noting that in some cases the costs are fixed for a couple of years every effort should be made to keep prices increases to 3% or under.
 - (d) The Fees and Charges Income, on average, whilst the Council can increase its concessionary fees and charges, most of our fees and charges income comes from statutory income. Officers should be encouraged to charge the maxima for these services and based on previous years we have seen an average of two percent increase in the Council's aggregate fees and charges income It is recommended that Council seeks to increase discretionary fees and charges by at least five percent.
- 3.11 Summarising the above, the impact on the Council's 2023/24 budget is broadly:
- (a) Employment costs (excluding superannuation employer contribution rates movements) increase £1.03m (£206k multiplied by 5)
 - (b) Cost increases £0.381m (£127k multiplied by 3)
 - (c) Fees and charges income (£0.14m) ((£70k) multiplied by 2)
- This would leave a funding gap of approximately £1.271m that would need to be funded from the items mentioned in 3.6 (a) to (m) above.

4. Financial implications

- 4.1 Based on applying the following 2023/24 budget assumptions for inflation:
- (a) 5% Salaries
 - (b) 3% Costs
 - (c) 5% Concessionary fees and charges and the maxima for statutory fees and charges
- 4.2 The financial implications have been set out in 3.11 above and a £1.27m funding gap will need to be closed.

5. Risk considerations

- 5.1 For the 2022/23 budget setting processes, the following assumptions were applied as follows:
- (a) 2% Salaries
 - (b) 1.7% Costs (Contracted and Non contracted)
 - (c) 1.7% fees and charges, with discretionary fees increased by approximately 5%.
- 5.2 After approximately twelve years of low inflation, the situation was beginning to change during the last quarter of 2021/22, which saw the actual inflation figures, as measured by CPI, rise to 7.9 and 8.2 percent for April and May respectively.
- 5.3 This was just after Council had approved the 2022/23 Budget, which used the assumptions in 5.1 above.

- 5.4 As a result of the difference between the budget assumptions and the actual rate of inflation, a Cost of Living Crisis was declared, which as shown in the table below sets out the main challenges over the next four years

	2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's
Planned revenue budget surplus	0	24	291	361
3.1 – 2% reduction in Council Tax base	-171	-178	-185	-192
3.2 – Inflationary pressures				
Fuel	-51	-51	-51	-51
Electricity	-187	-187	-187	-187
Gas	-59	-59	-59	-59
3.3 – 2.4% (£5) CT increase reduced to 2.0%	0	-40	-40	-40
3.4 – 2022/23 Pay Award- 2% extra	-426	-434	-444	-452
3.5 – Unallocated Cash	360	0	0	0
3.6 – Pension uplift	0	-300	-300	-300
3.7 – Leisure Centre	0	-20	-20	-20
Revised planned revenue budget deficit	-321	-1,195	-943	-887

- 5.5 The work carried out in June to prepare the table above, is broadly in line with the 2023/24 budget shortfall calculated in 3.11 above at £1.27m, based on Council accepting the recommendations above.
- 5.6 There are different views circulating that the Bank of England has been too pessimistic, and inflation will not hit these highs. This would be a major concern because of the psychological impact on staff and their morale at having to deliver significant cost savings or indeed agreeing to a smaller percentage pay increase.
- 5.7 Equally, some commentators are claiming that the Bank of England has not gone far enough in their forecasts, and it will take longer for inflation to fall to around two percent.
- 5.8 Either way, officers must base their assumptions and recommendations to Council on what is known and generally accepted as the best forecast. Noting that the situation must be kept under constant review.
- 5.9 In view of the significant change to annual inflation, Officers will be reviewing the 2023/24 Budget and its inflation assumptions in early January 2023, just ahead of the finance committee meetings later that month to assess if the assumed inflation rates agreed today, remain fit for purpose.

- 5.10 A significant risk, could be the impact on recruitment, retention and staff morale, based on not increasing the 2022/23 pay award, suggested in 3.8 above.
- 5.11 Further, by not matching the national pay award, Council may jeopardise the current strong relationships it has with the local unions, and therefore, this should be carefully considered.

6. Legal considerations

- 6.1 None.

7. Other considerations

- 7.1 None.

8. Equality and Diversity

- 8.1 No direct impact.

9. Sustainability/Climate Change Implications

- 9.1 No direct impact.

10. Timetable for implementation

- 10.1 Immediate effect.

11. Contact

- 11.1 Paul Taylor p.taylor@spelthorne.gov.uk

Background papers:

2022/23 Budget Pressures due to inflation report (CP&R 12 July 2022).

Appendices: There are none.

Corporate Policy & Resources Committee

12 September 2022



Title	<i>Quarter 1 (30 June 2022) Capital Monitoring report</i>
Purpose of the report	To note
Report Author	<i>Paul Taylor Chief Accountant</i>
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Affordable housing Recovery Environment Service delivery
Recommendations	<p>The Committee is asked to note the (£8.6m) underspend on capital expenditure against its Capital Programme provision as at 30 June 2022 for the Council and in particular the Corporate Policy & Resources Committee.</p> <p>(Please note that individual committees will receive a full copy of this report once issued as part of the papers for Corporate Policy and Resources Committee (CPRC) meeting on 12 September and that the Elmsleigh project has been disaggregated from 1 April 2022.</p>

1. Summary of the report

- 1.1 This report seeks to update Councillors on the performance of our capital projects against the approved budget, as at 30 June 2022.
- 1.2 Please note that this report is based on activity at 30 June 2022, subsequent events may have changed and if material, will be highlighted in the report.

2. Key issues

- 2.1 The Capital Monitoring report covers the cumulative actual expenditure to date, against the cumulative Council approved Capital Programme budget and compares this against the latest forecast outturn from Officers.
- 2.2 Although the projects may have a budget allocation in the Capital Programme, any increases in budget will require prior approval by Corporate Policy & Resources Committee before drawing down on the budget.
- 2.3 Officers are beginning to see the impact of Brexit, longer term economic impacts of COVID-19 on our building costs, availability of labour and shorter

fixed price guarantees from building suppliers. Over the next few years the uncertainty around the inflationary risk to our development projects, is not clear. As with the Bank of England forecasts, some commentators expect to see construction cost inflation rise, while others predict a fall. The impact of global events continues to influence commodity prices, whilst Brexit has created a shortage of labour in the construction sector, and finally the impact of the Cost of Living crisis cannot be ignored, therefore, taking these issues into account, officers will continue to closely monitor these risks and assess the impact on our Estimated Capital Programme for 2022/23 to 2025/26.

- 2.4 As reported last quarter (31 March 2022) officers continue to monitor the impact of the inflation on the material and labour costs for our development contracts, which is forecast to have a £40m+ adverse impact on the Council's Capital budgets (over the current 2022/23 to 2025/26 estimated Capital Programme) and this will have a knock-on impact on our revenue budgets due to increased interest charges, as notified by the Public Works Loan Board (PWLb) and greater costs to be financed.
- 2.5 Further, a number of projects have been handed over as completed, such as West Wing and we are awaiting the final contract to be signed off. Officers don't believe that there will be any further increase in the forecast for these projects.
- 2.6 For the quarter ended 30 June 2022 our approved Capital Programme was £394.1m (March: £337.4m). The latest forecast outturn position is £385.6m (March: £350.5m), giving a projected aggregate underspend of (£8.5m) (March: overspend of £13.1m) as per Appendix A below.
- 2.7 The projected aggregate overspend by Committee as per Appendix B is as follows:
 - (a) Administrative – projected underspend (£171k) (March: underspend (£35k) no change since last quarter.
 - (b) Community Wellbeing & Housing – projected overspend £14.7m (March: overspend £13.0m).
 - (c) Environment & Sustainability – projected overspend £87k (March: overspend £81k
 - (d) Corporate Policy & Resources Committee – projected underspend (£23.2m) (March: over/underspend £nil).
- 2.8 In arriving at the cumulative expenditure to date, the Finance Team account for capitalised borrowing costs, salaries, and all costs of acquisition on each development project.
- 2.9 As highlighted last quarter, the average monthly cost to the Council for the delays in moving the development properties forward is £170k (£140k revenue and £30k capital)
- 2.10 **Capitalisation of borrowing costs**
- 2.11 Under normal circumstances, officers would capitalise the borrowing costs associated with the six development properties in Staines-upon-Thames area based on the requirements of section 4 of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting, however, the delays caused by the moratorium and the Planning

Committee process in approving the Council's plans has had a significant impact on the Council's finances.

- 2.12 As the Council progresses with the plans for each development, following the end of the moratorium, officers, in consultation with our external auditors, will have to reassess each project and if the design of the buildings has significantly altered, once the Planning Committee has approved the revised plans and in order to comply with the above CIPFA Code, Council may have to charge the design fees for the previous building designs from Capital to the Revenue budget and this could have a significant adverse impact on the revenue outturn, increasing the predicted budget deficit even further.

3. Variance analysis

- 3.1 We report on any significant movement in forecast variance over £50k or 20% of budget, whichever is the highest, or if there has been a significant development since last quarter, by committee as follows:
- 3.2 Administrative – projected underspend (£171k) (March: underspend (£35k))
- (a) Scan Digital Rollout – underspend (£20k) (March: underspend (£20k)) Data scanning progressing well has now been incorporated within the digital transformation processes, which will reduce paperwork and thus reducing need for scanning. Funds no longer required and the capital programme will be amended to reflect this saving.
 - (b) Corporate Electronic Document Management System (EDMS) Project – underspend (£131k) (March: £nil over/underspend). A substantial amount of the work will be dealt with from the SharePoint budget (Cost centre 43512) and therefore £131,200 is no longer required and the capital programme will be amended to reflect this saving.
 - (c) Forward Scanning – underspend (£20k) (March: (£20k)) Data scanning progressing well has now been incorporated within the digital transformation processes, which will reduce paperwork and thus reducing need for scanning. Funds no longer required and the capital programme will be amended to reflect this saving.
- 3.3 Community Wellbeing & Housing – projected net overspend £14.1m (March: overspend £14.5m)
- (a) Ashford MSCP - £1.6m overspend, (March: £500k overspend) due to building material and labour cost inflation, Development Subcommittee to receive a request for increased budget in September.
 - (b) Benwell 1 - £2.6m underspend (March: (£2.7m) underspend) an additional £100k spent on replacement trees.
 - (c) Oast House - £13.4m overspend (March: £13.4m overspend). As directed by Corporate Policy & Resources Committee at their July meeting, Officers will present in October, a revised budget based on the plans currently being finalised, to Development Subcommittee for approval.

- 3.4 Environment & Sustainability – projected overspend £87k (September: £83k overspend)
- (a) Laleham Park Upgrade – Overspend £87k, unchanged from last quarter. As requested by Development Subcommittee, Officers will shortly be submitting revised plans for approval by the Development Subcommittee.
- 3.5 Corporate Policy & Resources – Underspend (£23.2m) (March: £nil under/overspend)
- (a) Acquisition of a potential housing/regeneration asset – underspend (£20m) (March: £nil over/underspend) project will not proceed, therefore, the funds will be removed from the capital programme.
- (b) 91/93 High Street – Underspend (£1.2m) (March: (£1.2m) underspend) Please note that these projects have been disaggregated from the global budget for Elmsleigh Centre, with effect from 1 April 2022
- (c) Former Decathlon unit – underspend (£2m). Subject to signing the contract with Surrey County Council, this capital expenditure is no longer required and the capital programme will be amended to reflect this saving.

4. Financial implications

- 4.1 Once a project is completed, any underspend on the approved Capital Programme enables the Council to invest the monies to gain additional treasury management investment income or to fund additional schemes.
- 4.2 Working closely with our Treasury Management advisors, officers are currently saving the Council more than £1,300k per annum in interest charges, through prudent use of short-term interest rates to fund regeneration development projects.
- 4.3 Upon completion of each project, officers obtain fixed rate interest loans to significantly reduce the Council's exposure to risk of future interest rate rises over the next 50 years.

5. Risk considerations

- 5.1 The significant risks for our capital programme continues to be the delay in commencing our development projects, which in turn is seeing costs rise as the construction industry experiences significant inflationary increases in building and labour costs. Further, the recent upward trend in interest base rates is impacting on our development properties, as the Council funds these projects from short term borrowing, before fixing the loan interest via the Public Works Board on completion of each project.

6. Legal considerations

- 6.1 None.

7. Other considerations

- 7.1 During 2022/23 officers will be expected to progress their capital projects, and where projects have not commenced, may be requested to cancel the project and reapply for capital funds, so that the unused funds can be utilised

elsewhere by council, rather than being tied up in projects that are not progressing.

8. Equality and Diversity

- 8.1 This Council is committed to delivering equality, improving diversity and being inclusive in all our work as a service provider and an employer.
- 8.2 We incorporate equality into our core objectives, making every effort to eliminate discrimination, create equal opportunities and develop good working relationships between different people.

9. Sustainability/Climate Change Implications

- 9.1 Spelthorne Borough Council has declared a climate emergency and each capital project will be looking to reduce its carbon footprint within the financial constraints imposed on it.

10. Timetable for implementation

- 10.1 Not applicable.

11. Contact

- 11.1 Paul Taylor p.taylor@spelthorne.gov.uk

Background papers: None.

Appendices:

Appendix A – Summary Capital Monitoring Report by Committee as at 30 June 2022.

Appendix B – Detailed Capital Monitoring Report by Committee as at 30 June 2022.

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CAPITAL MONITORING REPORT AT 30 JUNE 2022

Committee	REVISED BUDGET	ACTUALS YTD	MANAGER'S PROJECTED OUTTURN	PROJECTED VARIANCE
Administration	1,409,200	116,338	1,238,000	-171,200
Community Wellbeing & Housing- DFG Annual Programme	0	-0	0	0
Community Wellbeing & Housing	347,379,721	75,087,621	362,128,621	14,748,900
Corporate Policy & Resources	44,325,000	402,162	21,112,000	-23,213,000
Environment & Sustainability	1,002,500	83,789	1,089,080	86,580
	£394,116,421	£75,689,910	£385,567,701	-£8,548,720

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CAPITAL MONITORING REPORT AT 30 JUNE 2022

Portfolio / Service Head	Cost Centre	Description	Current Cumulative Budget	Cumulative Actuals to date for the project	Managers Projected Outturn at 30 June	Cumulative Budget vs Projected Outturn Variance	Comments
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Housing Investment ProgrammeCommunity Wellbeing & Housing- DFG Annual Programm

Karen Sinclair & De	40203	Disabled Facilities Mandatory	943,200	149,918	943,200	0	
Karen Sinclair & De	40204	Disabled Facilities Discretion	29,600	5,211	29,600	0	
		Grants received from Central Government	-972,800	-155,130	-972,800	0	
		Net Cost of Disabled Facilities Grants	£0	-£0	£0	£0	Annual Programme
Total For HIP			£0	-£0	£0	£0	

CAPITAL MONITORING REPORT AT 30 JUNE 2022

Portfolio / Service Head	Cost Centre	Description	Current Cumulative Budget	Cumulative Actuals to date for the project	Managers Projected Outturn at 30 June	Cumulative Budget vs Projected Outturn Variance	Comments
Other Capital Programme							
Environment & Sustainability							
Jackie Taylor	41302	Car Park Mgmt. System Update	250,000	0	250,000	0	Currently on hold pending an update from SCC who are taking back this service.
Jackie Taylor	41308	Car Park Mgmt. & Issue System	50,000	0	50,000	0	Currently on hold pending an update from SCC who are taking back this service.
Jackie Taylor	41503	Replacement Refuse Vehicle	80,000	0	80,000	0	This forms part of a procurement exercise being undertaken in July/Aug 22, we anticipate orders being agreed October 22 delivery may potentially slip into 23/24 due to supply issues
		External Funding	-45,000	-	-45,000	0	This income is an insurance payback and offsets the item above
Jackie Taylor	41606	County Transit Site	127,000	0	127,000	0	Project on hold until site can be agreed. This is a contribution towards cost of a site in another part of the County.
Jackie Taylor	41608	River Ash Broadwalk	150,000	0	150,000	0	This project is now with the procurement team
		Bronzefield reserve Funding	-150,000	0	-150,000	0	
Jackie Taylor	41609	Replacement Spelride Bus	100,000	0	100,000	0	More electric minibuses are now available for consideration and a new tender exercise will commence later this year.
Jackie Taylor	41615	Laleham Nursery Portacabins	116,000	0	116,000	0	Work is in progress and options are being considered, with an update next quarter.
Jackie Taylor	41620	Wheelie Bins - annual programme	50,000	13,268	50,000	0	Wheelie bins purchased as and when supply demands through the year
Total			£728,000	£13,268	£728,000	£0	
Tracey Willmott-French	41314	Air Quality	24,500	0	24,500	0	After a report to E&S Committee and following their permission further NOX pollution reduction scenario modelling work has been commissioned, which marks progression of this project in 2022-23.
Total			£24,500	£0	£24,500	£0	
Lee O'Neil	41026	Laleham Park Upgrade	250,000	70,521	336,580	86,580	Demolition works completed in 21/22. As per Dev Sub meeting, officers will be submitting new plans for approval.
Total			£250,000	£70,521	£336,580	£86,580	
Committee Total			£1,002,500	£83,789	£1,089,080	£86,580	

CAPITAL MONITORING REPORT AT 30 JUNE 2022

Portfolio / Service Head	Cost Centre	Description	Current Cumulative Budget	Cumulative Actuals to date for the project	Managers Projected Outturn at 30 June	Cumulative Budget vs Projected Outturn Variance	Comments
Community Wellbeing & Housing							
Karen Sinclair	42014	LOCATA	49,900	0	49,900	0	Being implemented in Autumn 2022
Karen Sinclair	42074	Property acquisition for families	35,000,000	0	35,000,000	0	£35m to be spent over the next 5 years, with Project Managers post being advertised to deliver this project and the post will be funded from this budget.
Total			£35,049,900	£0	£35,049,900	£0	
Lee O'Neil	41024	Spelthorne Leisure Centre Development	48,370,000	2,820,537	48,370,000	0	Main build contract to be signed imminently, start on site end of July.
Lee O'Neil	41328	Ashford MSCP Residential Scheme	15,000,000	103,573	16,600,000	1,600,000	Public consultation completed early July, targeting a planning submission early Autumn. The forecast increase shown is due to the anticipated increase in construction costs since the previous scheme was reviewed in October 2021. However, following the conclusion of the public consultation process the scheme is being reappraised with the intention of freezing the design parameters with an updated forecast being made available in August.
	42042	Benwell Development & Building cost Phase 1	13,800,000	11,148,616	11,200,000	-2,600,000	Project complete - additional costs incurred for replacement trees, still negotiating final account to be paid with developer.
	Memorandum Item	Benwell Land & Building cost Phase 1	10,123,100	10,746,000	10,746,000	622,900	Land acquired on 30/09/17.
	Memorandum Item	Whitehouse Land Acquisition	1,319,721	1,319,721	1,319,721	0	Land acquired on 30/09/17.
Lee O'Neil	42052	Whitehouse - Design Fees & Construction Phase B	3,910,000	538,106	3,800,000	-110,000	Planning application targeted end of September '22. An improved more efficient design has allowed an increase in proposed units from 12 to 17 and has also provided an opportunity for a more cost-effective building. Now that the public consultation has concluded the next stage is to review the scheme and freeze the design parameters. Cost appraisals will be run in August with the aim of having up to date costs for discussion in early September.
Lee O'Neil	42054	Thameside House	54,430,000	1,795,654	56,000,000	1,570,000	No change to financials since last quarter - DSC approved revisions for a GF +10+8+4 storey scheme. Public consultation completed, target planning submission end of September '22. Construction budgets as risk due to market volatility.
	Memorandum Item	Thameside House Land & Building cost	9,860,000	9,700,000	9,700,000	-160,000	No change to reported financials
Lee O'Neil	42055	West Wing	5,780,000	5,722,605	5,850,000	70,000	No change to financials. Project complete. Final account being negotiated with contractor - delay due to insurance claim for water damage.
Lee O'Neil	42056	Whitehouse Hostel - Phase A	4,417,000	4,661,718	4,773,000	356,000	No change to financials. Project complete - negotiating final account to be paid.
Lee O'Neil	42057	Victory Place (Ashford Hospital car park site)	31,470,000	1,757,608	31,470,000	0	Full planning consent granted in March 2022. Main contract negotiation on going. Demo to start early Autumn.
	Memorandum Item	Victory Place Land Cost	5,260,000		5,260,000		
Lee O'Neil	42060	Oast House	105,200,000	21,588,980	118,600,000	13,400,000	Significant cost increases due to moratorium & design consultations delays. Council approved 12+10+9 max storey heights residential + NHS centre on 28 April 2022. Public consultation undertaken, planning submission targeted end of October '22.
Lee O'Neil	42062	Harper House Redevelopment	3,390,000	3,184,504	3,390,000	0	No change to financials. Project complete - negotiating final account to be paid.
Total			£312,329,821	£75,087,621	£327,078,721	£14,748,900	
Committee Total			£347,379,721	£75,087,621	£362,128,621	£14,748,900	
Corporate Policy & Resources							
Lee O'Neil	42038	Acquisition of a potential housing/regeneration asset	20,000,000	0	0	-20,000,000	Unlikely to proceed as US vendor demanding considerably more than Council's budget.
Lee O'Neil	42063	Elmsleigh Centre	5,350,000	1,515	5,350,000	0	To be reviewed upon Local Plan & Staines development framework. Previous budget of £18m split for projects at 91-93 High Street, Tothill Redevelopment & Decathlon. £5.35m left over after allocations.
Lee O'Neil	42065	91/93 High Street	6,000,000	72,617	4,792,000	-1,208,000	Public consultation 15/16 July. Targeting autumn planning submission. Inflation on costs may impact adversely on forecast. Expected to be delivered within budget.
Lee O'Neil	42066	Tothill MSCP	4,500,000	328,030	4,500,000	0	To be reviewed upon Local Plan & Staines development framework. Budget split from Elmsleigh Redevelopment budget of £18m. To early to forecast level of expenditure.
Lee O'Neil	42067	Decathlon Unit, Elmsleigh	2,150,000	0	150,000	-2,000,000	Full capital budget not required as current plan is for SCC to take on lease and redevelop in return for rent free lease for Staines Library. £150k required to install new passenger lift.
Lee O'Neil	42068	Elmsleigh Centre W.C	50,000	0	60,000	10,000	Issues with building regs - expecting to start work in next 6 weeks - cost expected to be £60k offset by £40k grant funding.
		WC Grant	-25,000		-40,000	-15,000	
Lee O'Neil	42069	Ashford Community Centre	3,500,000	0	3,500,000	0	This is with strategic planning team for further advise on the project.

CAPITAL MONITORING REPORT AT 30 JUNE 2022

Portfolio / Service Head	Cost Centre	Description	Current Cumulative Budget	Cumulative Actuals to date for the project	Managers Projected Outturn at 30 June	Cumulative Budget vs Projected Outturn Variance	Comments
Lee O'Neil	42070	Cedar Rec Toilet Block	250,000	0	250,000	0	This project is on hold and to commence subject to the Community Lettings Policy being reviewed by Councillors. A task group is to be set up to discuss the CLP. An updated forecast will be prepared once the CLP has been agreed.
Lee O'Neil	42071	Greeno Rec	1,200,000	0	1,200,000	0	This project is on hold and to commence subject to the Community Lettings Policy being reviewed by Councillors. A task group is to be set up to discuss the CLP. An updated forecast will be prepared once the CLP has been agreed.
Lee O'Neil	42072	Manor Park Pavilion	750,000	0	750,000	0	This project is on hold and to commence subject to the Community Lettings Policy being reviewed by Councillors. A task group is to be set up to discuss the CLP. An updated forecast will be prepared once the CLP has been agreed.
Lee O'Neil	42073	Revelstoke	400,000	0	400,000	0	No change to plan
Lee O'Neil	42076	Sandhill Meadow Bridge	200,000	0	200,000	0	approved by Dev Sub Com 16/5/22 - budget provision for £200k
Committee Total			£44,325,000	£402,162	£21,112,000	-£23,213,000	

CAPITAL MONITORING REPORT AT 30 JUNE 2022

Portfolio / Service Head	Cost Centre	Description	Current Cumulative Budget	Cumulative Actuals to date for the project	Managers Projected Outturn at 30 June	Cumulative Budget vs Projected Outturn Variance	Comments
Administration							
Lee O'Neil	42010	KG Car Park Improvements	100,000	100,000	100,000	0	Works now complete - the resurfacing work (scalping of the top surface) for the quadrant car park, represents a revenue cost and £20.2k which was charged to the planned maintenance budget
		Total	£100,000	£100,000	£100,000	£0	
Paul Taylor	43602	Centro Upgrade - Integra	30,000	0	30,000	0	This project is expected to be completed in this financial year, currently in the testing stage due to go live in Aug 22
Paul Taylor	43609	Centros Upgrade	190,000	0	190,000		Phase 1, will start once the Centros system has gone live.
		Total	£220,000	£0	£220,000	£0	
Kamal Mehmood &	43604	Leisure Board	15,000	0	15,000	0	Discussions with Assets over the location of the board, but unlikely to be installed until the end of the financial year
		Total	£15,000	£0	£15,000	£0	
Alistair Corkish	43506	Scan Digital Rollout	20,000	0	0	-20,000	Data scanning progressing well has now been incorporated within the digital transformation processes, which will reduce paperwork and thus reducing need for scanning. Project closed and savings returned to the capital programme.
Alistair Corkish	43607	Recabling	200,000	0	200,000	0	
Alistair Corkish	43610	General Hard/Software - annual programme	50,000	0	50,000	0	Expected to be spent by end of this financial year
Alistair Corkish	43613	VDI Hosts	18,100	0	18,100	0	Expected to be spent by end of this financial year
Alistair Corkish	43614	Network Infrastructure	170,000	0	170,000	0	This project will begin Q3/Q4 and will carry on into 2022-23
Alistair Corkish	43615	Members Tablets	41,900	0	41,900	0	Procurement will be done in Q3
		Total	£500,000	£0	£480,000	-£20,000	
Roy Tilbury	43625	Customer Portal	8,000	0	8,000	0	To be spent in next few months as Council has chosen Granicus.
Roy Tilbury	43626	Customer Services Contact Cent	40,000	5,538	40,000	0	The remaining budget will be spent on further development of webchat and Ai during 22/23
Roy Tilbury	43629	Net call Contact Centre	70,000	10,800	70,000	0	This will form part of the digital upgrade to be complete in 22/23
		Total	£118,000	£16,338	£118,000	£0	
Sandy Muirhead	43501	Forward Scanning	20,000	0	0	-20,000	Data scanning progressing well has now been incorporated within the digital transformation processes, which will reduce paperwork and thus reducing need for scanning. Project closed and savings returned to the capital programme.
Sandy Muirhead	43502	Digital Spelthorne	50,000	0	50,000	0	Delays occurred in implementation as a result of strategy development and queries by CS which has been resolved. Monies will be spent in this financial year.
Sandy Muirhead	43512	SharePoint redesign & Relaunch	155,000	0	155,000	0	SharePoint launch is being delayed as a result of staff recruitment delays. New member of staff has started in July 2022 but due to workload spend is expected in 22-23 & 23-24.
Sandy Muirhead	43515	Corporate EDMS Project	231,200	0	100,000	-131,200	A substantial amount of the work will be dealt with from the SharePoint budget (Cost centre 43512 below) and therefore £131,200 is no longer required.
		Total	£456,200	£0	£305,000	-£151,200	
		Committee Total	£1,409,200	£116,338	£1,238,000	-£171,200	

CAPITAL MONITORING REPORT AT 30 JUNE 2022

Portfolio / Service Head	Cost Centre	Description	Current Cumulative Budget	Cumulative Actuals to date for the project	Managers Projected Outturn at 30 June	Cumulative Budget vs Projected Outturn Variance	Comments
Total For Other			£394,116,421	£75,689,910	£385,567,701	-£8,548,720	
Total Expenditure			395,309,221	75,689,910	386,775,501	-8,548,720	
Total Funding			-1,192,800	0	-1,207,800	0	
GRAND TOTAL			£394,116,421	£75,689,910	£385,567,701	-£8,548,720	

Corporate Policy & Resources Committee

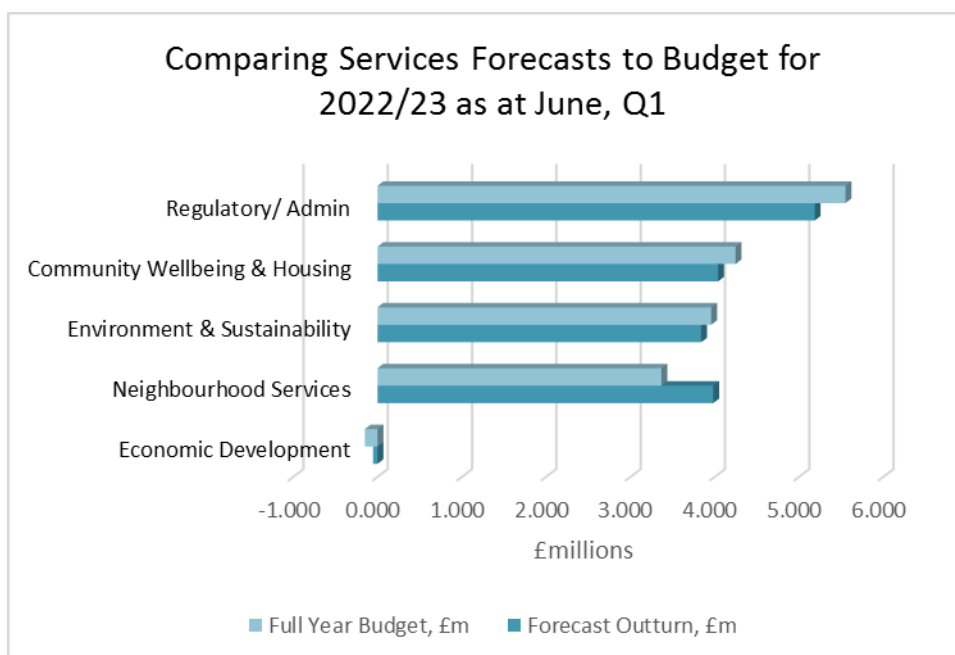


12 September 2022

Title	Q1 Revenue Monitoring Report as at 30 June 2022
Purpose of the report	To note
Report Author	Anna Russell Deputy Chief Accountant
Ward(s) Affected	All Wards
Exempt	No
Corporate Priority	Community Affordable housing Recovery Environment Service delivery
Recommendations	Committee is asked to note the Quarter 1 position for 2021/22 as at 30 June 2022
Reason for Recommendation	Not applicable

1. Summary of the report

- 1.1 This report provides a summary of the Quarter 1 (Q1) for the financial year 2022/23 as at 30 June 2022, which is a net £69k deficit.
- 1.2 The purpose of this report is to produce reasonable forecasts for the year. However, a range of issues such as post-COVID effects, the cost-of-living crisis and global crises are expected to impact on the budget. The COVID-19 pandemic created a dynamic environment requiring frequent reassessment of plans and projections. The current cost-of-living crisis in the UK has seen steep price increases across fuel, utilities, food and other goods, resulting in successive uplifts in the Bank of England interest rate; all of which are expected to continue to increase significantly over the coming months. International and global crises, such as Ukraine and climate change, are adding to uncertainty and inflationary pressures. Such issues give context to the council's circumstances and will be considered as far as practical, noting that detailed consideration is outside the scope of this report.
- 1.3 The services budgets and outturn are shown in the chart below. Key variances are detailed by committee in the next section, 2.



2. Committee commentary

2.1 The following tables identify significant (greater than £20,000) differences from budget for services within each Committee.

The (negative) and positive variances indicate:

(negative): favourable = an (underspend) or (over-recovery) of income

positive: adverse = an overspend or under-recovery of income

(a) Regulatory/ Administrative Committee

Service	Variance £'000	Comment
Committee Services	(20)	Underspend expected due to vacant posts, partially covered by overtime.
Corporate Governance	88	Vacant posts are being covered by Agency staff with higher costs
Corporate Management	(220)	Underspend on budgeted COVID-19 expenditure (£200k), and on general subscriptions (£20k).
Information & Comms Technology	(50)	Savings expected due to vacant posts
Legal	(20)	Underspends of (£20k) expected due to vacant posts, partially covered by agency staff.
	(222)	Total significant net variances

Details for the service committee are given in Appendix C1.

(b) **Corporate Policy & Resources Committee**

Service	Variance £'000	Comment
Accountancy	(34)	Savings expected due to vacant posts.
Asset Management Administration	(27)	Underspend due to 4 current vacant posts. Actual amount to be recharged to KGE Ltd less than budgeted due to changes in staff time on KGE work and vacancies.
Customer Services Management & Support	(40)	Underspent due to vacant posts, partially covered by agency staff and additional overtime payments.
Development Properties	265	Consists of: (1) Forecast overspend of £515k is based on 2021/22 outturn with consideration to high gas and electric costs expected this year and overspends relating to empty and void properties; offset by (2) unbudgeted income of (£250k) NHS contribution towards planning costs for the Oast House development.
General Property Expenses	(42)	Underspend totalling (£74k) on Consultants, Surveyors and Valuers as more work undertaken by staff in-house. Offset by £22k under-recovery of income relating to: covid relief allowed for tenants; some tenants having left. Budget amended in 2022/23 to reflect lower income.
Planned Maintenance Programme	(135)	Estate programme maintenance budgets expected to be underspent (£75k) of which (£20k) will be used to fund overspend on the Knowle Green Car Park capital project. Also, expected savings of (£60k) from unused one-off Surveyors budget and Computer Software budget.
Project Management	(20)	Underspent expected due to vacant posts.
Unapportionable Central Overheads	(17)	Consists of: (1) Monthly superannuation payments to Surrey County are expected to be (£268k) lower than budgeted based on number of staff in post; offset by (2) Pension Fund payments £251k higher than budgeted.
	(50)	Total significant net variances

Details for the service committee are given in Appendix C2.

(c) **Community Wellbeing & Housing Committee**

Service	Variance £'000	Comment
SPAN (Spelthorne Alarm Network)	(57)	The underspend is the result of SPAN service moving to Mole Valley at the end of September 2022. Staff were transferred 1st July, with (£102k) underspend of the budget for the rest of the year, and corresponding £103k under-recovery of recharged income. In addition, there are underspends of (£57k) forecast on non-employee costs due to the move.
Community Centres	31	Overspends forecast for increases in cost of living.
Spelthorne Family Support	0	Staff underspends of £30k due to vacant post, partially being covered by temporary staff. Remainder of costs are expected to be recharged for work relating to Afghan Refugees. Income is forecast to be under-budget by £22k but is expected to cover costs.
Community Development	38	Increased allocation of Better Neighbourhood grants agreed, for councillors to spend on the Jubilee celebrations.
Homelessness	(90)	Lower numbers in Rent Assure scheme are contributing to lower expenditure and income than budgeted. Demand is slowly increasing
Housing Benefits Admin	(92)	Variance includes: (1) Underspend of (£43k) forecast on vacancies, which are being recruited to; and (2) (£52k) unbudgeted income from additional new burdens grants received from DWP. These grants are ringfenced to Housing Benefits, but the council has no control over if and when the grants are issued.
Housing Benefits Payments	6	Additional expenditure £205k and grant income (£199k) relates to Household support fund scheme, which has been extended into 2022/23.
Leisure Administration	(40)	Unbudgeted income of (£40k) relates to funds from Public Health for covid outreach worker secondment.
Spelthorne Leisure Centre	(32)	Spelthorne's profit share has increased with reference to inflation.
	(236)	Total significant net variances

Details for the service committee are given in Appendix C3.

(d) **Neighbourhood Services Committee**

Service	Variance £'000	Comment
Car Parks	589	Under-recovery of £589k as income is forecast to be lower due to slower than expected recovery post COVID-19.
Neighbourhood Services Management Support	(20)	Savings expected due to vacancies, partially covered by agency staff and overtime.
Environmental Health Admin	0	Expected to be higher by £128k due to an additional contractor and agency costs to cover vacant posts and EH COVID-19 response Supplement service. Costs to be offset, funded by (£128k) from Surrey County Council.
Street Cleaning	0	Savings of (£20k) expected due to vacant posts, partially covered by agency staff and overtime. Off-set by fuel costs which are forecast to be £20k higher than budget.
Spelride	30	Income is forecast to be lower due to slower than expected recovery post COVID-19.
	599	Total significant net variances

Details for the service committee are given in Appendix C4.

(e) **Economic Development Committee**

Service	Variance £'000	Comment
Staines Market	90	Income is forecast to be lower due to slower than expected recovery post COVID-19.
	90	Total significant net variances

Details for the service committee are given in Appendix C5.

(f) **Environment & Sustainability**

Service	Variance £'000	Comment
Grounds Maintenance	30	Savings of (£20k) expected due to vacant posts, partially being covered by agency staff and overtime. This off-sets overspend on fuel costs expected to be £50k higher than budgeted.
Planning Development Control	(90)	Underspends relate to 3 vacant posts.
Planning Policy	21	Consists of: (1) (£28k) Underspend relating to 1 vacant post which is currently on hold until filled as a temporary one-year post); offsetting (2) £49k Overspend associated with Local Plan work, which can be funded from Local Plan reserve set up in 2021/22 from budget underspend.
Refuse Collection	(90)	Higher than budgeted income from green waste bins due to more clients.
	(129)	Total significant net variances

Details for the service committee are given in Appendix C6.

Go to next page for 2.2

2.2 Net Asset Income (Commercial and Regeneration Assets)

The tables below show the latest monitoring position for the acquired assets, and exclude figures relating to developments on properties to be transferred to Knowle Green Estates Ltd. The net income from commercial assets is used to meet additional spend pressures resulting for example from reduced funding from government grant and Surrey County Council.

- 2.3 Net commercial rental income is forecast to be £1.183m under budget due for example to termination of leases following downturns in commercial tenants' circumstances after COVID-19. The net shortfall is funded by drawdown from sinking funds.

Commercial Assets	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Rental Income (as per signed lease)	(54,001)	(52,327)	1,674
less: Landlord costs	8,161	7,670	(491)
Net Rental Income receivable	(45,840)	(44,657)	1,183
Loan Interest Payable	22,420	22,420	0
Minimum Revenue Provision	11,067	11,067	0
Sinking Funds - contributions to	6,062	6,062	0
Sinking Funds - release from	(3,767)	(4,950)	(1,183)
Set Asides for specific revenue purposes	455	455	0
Net Income (to fund Revenue budget)	(9,603)	(9,603)	(0)

Regeneration Assets	Revised Budget £'000	Forecast Outturn £'000	Variance £'000
Rental Income (as per signed lease)	(5,245)	(5,114)	131
less: Landlord costs	883	1,415	532
Net Rental Income receivable	(4,363)	(3,700)	663
Loan Interest Payable	747	747	0
Minimum Revenue Provision	900	900	0
Sinking Funds - contributions to	751	751	0
Sinking Funds - release from	(57)	(720)	(663)
Set Asides for specific revenue purposes	675	675	0
Net Income	(1,347)	(1,346)	0

- 2.4 The Council places a significant amount of the income earned into sinking funds, with £6.812m planned to cover future changes in circumstance, such as capital refurbishments or rent-free periods, and (£4.965m) forecast to be applied during the year, which would increase our sinking funds reserves by £1.847m.

	Balance 31/03/22 £'000	Additions 2022/23 £'000	Applied 2022/23 £'000	Balance 31/03/23 £'000
Proposed Allocation to Reserves	33,623	6,812	(5,669)	34,766

2.5 Retained Business Rates

The payment to or from preceptors for business rates is adjusted according to the balance on the collection fund. The Business Rates Equalisation Reserve is used to cover under-recovery of business rates when required, which is budgeted at £1.929m.

- 2.6 **Knowle Green Estates Ltd (KGE Ltd)** is a wholly owned company set up to meet the housing needs of residents, including affordable rented and private rented accommodation and key worker homes. The company is still in the early stages of its development, and it would not be appropriate at this time to take on the burden of fixed overhead costs until it becomes more mature. Costs charged to the company by the Council are for staffing support and for debt financing.

- 2.7 The company does not directly employ staff, with staffing services provided by the Council at cost £395k for 2022/23. Debt financing relates to loans representing assets transferred from Spelthorne Borough Council to Knowle Green Estates Ltd. Interest payable for 2022/23 was £821k.

- 2.8 KGE Ltd is forecast to have a net £364k loss by the end of the year, as shown in the summary next.

Knowle Green Estates Ltd	Full year budget 2022/23 £'000	Forecast outturn 2022/23 £'000
	£'000	£'000
Expenditure	1,097	1,464
Income	(1,100)	(1,100)
Net (Profit)/Loss	(3)	364

- 2.9 The difference between the budget and the forecast is due to an oversight in the business plan in respect of Benwell phases I and II, which is a timing issue and has no impact on the overall 50-year projections for KGE. In the original projections, the loan (capital and interest) costs for Benwell I were allocated to Benwell II and vice versa. Rental income is not affected.

- 2.10 **Spelthorne Direct Services Ltd** (SDS Ltd) is a wholly owned company set up to trade in commercial waste disposal, with directly employed staff. The company has loans with the council through a loan facility, to help support the company through the first years of trading, which has been affected negatively by COVID-19. The annual interest payable on current loans is £22k, with £16k payable for 2022/23.
- 2.11 SDS Ltd is forecasting a net £11k loss by the end of the year, as shown in the summary below.

Spelthorne Direct Services Ltd	Full year budget 2022/23	Forecast outturn 2022/23
	£'000	£'000
Expenditure	413	324
Income	(355)	(313)
Net (Profit)/Loss	58	11

- 2.12 The forecast for income is lower than budgeted, with less customers than originally expected. However, forecast costs have also been reduced to reflect this, resulting in a £47k reduction in the overall loss compared to budget.
- 2.13 **2022/23 Pay Award**
Budget was increased for 2022/23 pay award to allow for a 2% increase across all grades, and 2.5% for grades 1 to 5. This was implemented for staff with effect from 1st April. However, in July, the national employers made a final offer to the Unions of a fixed sum of £1,925 per FTE which would equate to an average increase of 3.7% on Spelthorne grades.
- 2.14 As a fixed sum approach, the national offer is worth most to the staff on the lowest grades. For example, for the lowest SBC scale point it equates to 9.78% and then proportionally decreases as a percentage as you move up the pay scales.
- 2.15 Once the national outcome is known for 2022-23, the Committee will need to consider whether it wishes to recommend to Council increasing our local offer to match the national offer. Doing so would add another £400k to the base budget. The projections in this report have not built in any assumption around this.
- 2.16 This is highlighted as a risk consideration in this report.

3. Financial implications

- 3.1 As set out within the report and appendices.

4. Risk consideration

- 4.1 Current national negotiations on pay and the broader cost of living pressures could indirectly affect local pay negotiations by potentially requiring a further uplift on top of the pay increase implemented from 1 April 2022 possibly on the scale of £400k for the full year. That impact is being reviewed separately and is outside the scope of this report.
- 4.2 With the current cost of living crisis, there is a significant risk that the net spend position worsen during this financial year. To illustrate this, the budget was prepared in December 2021 on 2% inflation, but recent inflation forecasts are up to 10%, and higher. The impact of spend pressures will be cushioned in the period before existing agreements are uplifted or changed. As a result, an associated risk is that managers will not be able to quantify the impact yet.

5. Legal considerations

- 5.1 None expected. Legal will be consulted for comments on this report.

6. Other considerations

- 6.1 There are none.

7. Equality, Diversity and Inclusion

- 7.1 There are no specific areas to highlight. However, equality, diversity and inclusion (EDI) are central to everything that we do and are woven throughout our Strategic Plans. Equality Impact Assessment will be undertaken where savings proposals are put forward for 2023-24.

8. Sustainability/Climate Change Implications

- 8.1 This report is intended to inform Councillors and senior management of key financial statistics, thereby facilitating effective management of the Council's resources.

9. Timetable for implementation

- 9.1 Monthly financial monitoring reports are produced for Management team, and quarterly for Committees.

Background papers: List of carry forward requests for 2022/23 revenue budgets

Appendices:

Appendix A – Revenue 2022-23 Q1 Summary

Appendix B – Revenue 2022-23 Q1 By Committee

Appendix C1 – Revenue 2022-23 Q1 Regulatory Administrative

Appendix C2 – Revenue 2022-23 Q1 Corporate Policy & Resources

Appendix C3 – Revenue 2022-23 Q1 Community Wellbeing & Housing

Appendix C4 – Revenue 2022-23 Q1 Neighbourhood Services

Appendix C5 – Revenue 2022-23 Q1 Economic Development

Appendix C6 – Revenue 2022-23 Q1 Environment & Sustainability

Net Revenue Budget Monitoring - 2022/23

As at end of 30 JUNE 2022

Appendix A extract

	2022/23 Budget Revised	2022/23 Forecast Outturn	2022/23 Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual
	£	£	£	FTE	FTE
Gross Expenditure	59,206,100	58,806,620	(399,480)		
Less Housing Benefit grant	(21,821,000)	(22,020,100)	(199,100)		
Less Specific fees and charges income	(12,783,100)	(12,115,400)	667,700		
Net Expenditure - broken down as below	24,602,000	24,671,120	69,120		
Regulatory / Administrative Committees	5,551,500	5,316,200	(235,300)	57	46
Corporate Policy & Resources	7,624,600	7,544,980	(79,620)	77	64
Community Wellbeing & Housing	4,248,000	4,039,800	(208,200)	102	88
Neighbourhood Services	3,367,800	3,983,800	616,000	100	85
Economic Development	(149,200)	(53,200)	96,000	4	4
Environment & Sustainability	3,959,300	3,839,540	(119,760)	123	100
NET EXPENDITURE AT SERVICE LEVEL	24,602,000	24,671,120	69,120	464	386
Interest Earnings	(1,288,400)	(1,288,400)	-		
Investment Property Income	(54,001,100)	(52,327,120)	1,673,980		
Regeneration Property Income	(5,245,100)	(5,114,230)	130,870		
Landlord Costs	9,043,600	9,083,940	40,340		
Debt Interest Payable	25,078,800	25,078,800	-		
Minimum Revenue Provision	12,279,800	12,279,800	-		
Set Aside	1,130,000	1,130,000	-		
Capitalisation of Interest on Development Properties	(1,221,100)	(1,221,100)	-		
Net interest margin on loans to KGE	(151,000)	(151,000)	-		
NET EXPENDITURE AFTER INTEREST EARNINGS	10,227,500	12,141,810	1,914,310		
Appropriation from Reserves					
Reserves - Revenue Contributions to Capital Outlay	750,000	750,000	-		
Sinking fund contributions	6,812,100	6,812,100	-		
Release of funding from sinking funds	(3,823,800)	(5,668,990)	(1,845,190)		
BUDGET REQUIREMENT	13,965,800	14,034,920	69,120		
Allocation from National Non-Domestic Rate pool	(100,100)	(100,100)	-		
Retained Business Rates	(1,929,000)	(1,929,000)	-		
Section 31 Grants	(800,000)	(800,000)	-		
Empty property premia	(107,000)	(107,000)	-		
Lower Tier Services grant re core spending power	(86,500)	(86,500)	-		
Other Service (NI)	(133,000)	(133,000)	-		
Business Rates - Economic Development Set Aside	(800,000)	(800,000)	-		
Environmental Impact Reserve	(79,900)	(79,900)	-		
Planning Performance Agreement	(30,000)	(30,000)	-		
Green Initiative Fund	(30,000)	(30,000)	-		
New Homes Bonus	(1,294,000)	(1,294,000)	-		
NET BUDGET REQUIREMENT	8,576,300	8,645,420	69,120		
2021/22 Revenue carry forward	(143,600)	(143,600)	-		
General Fund Reserves- Supplementary Estimate			-		
Collection Fund Surplus/(deficit)	117,000	117,000	-		
Income from Council Tax	(8,549,700)	(8,549,700)	-		
Net Position - Over/ (Under) budget	-	69,120	69,120		

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Net Revenue Budget Monitoring by Committee - 2022/23
Expenditure and Income Summary 30 JUNE 2022

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual
	£	£	£	FTE	FTE
Regulatory / Administrative Committees					
Employees	3,306,700	3,308,300	1,600	57	46
Other Expenditure	2,492,300	2,294,200	(198,100)		
Income	(247,500)	(286,300)	(38,800)		
	5,551,500	5,316,200	(235,300)	57	46
Corporate Policy & Resources					
Employees	5,929,700	5,396,390	(533,310)	77	64
Other Expenditure	2,646,300	3,218,390	572,090		
Income	(951,400)	(1,069,800)	(118,400)		
	7,624,600	7,544,980	(79,620)	77	64
Community Wellbeing & Housing					
Employees	4,636,200	4,486,200	(150,000)	102	88
Other Expenditure	26,961,300	26,765,900	(195,400)		
Housing Benefit grant income	(21,821,000)	(22,020,100)	(199,100)		
Income	(5,528,500)	(5,192,200)	336,300		
	4,248,000	4,039,800	(208,200)	102	88
Neighbourhood Services					
Employees	4,378,400	4,466,800	88,400	100	85
Other Expenditure	1,985,300	2,020,300	35,000		
Income	(2,995,900)	(2,503,300)	492,600		
	3,367,800	3,983,800	616,000	100	85
Economic Development					
Employees	224,000	215,000	(9,000)	4	4
Other Expenditure	195,900	210,900	15,000		
Income	(569,100)	(479,100)	90,000		
	(149,200)	(53,200)	96,000	4	4
Environment & Sustainability					
Employees	4,445,100	4,307,140	(137,960)	123	100
Other Expenditure	2,004,900	2,117,100	112,200		
Income	(2,490,700)	(2,584,700)	(94,000)		
	3,959,300	3,839,540	(119,760)	123	100
NET EXPENDITURE AT SERVICE LEVEL	24,602,000	24,671,120	69,120	464	386
Total Employees	22,920,100	22,179,830	(740,270)		
Total Other Expenditure	36,286,000	36,626,790	340,790		
Housing Benefit grant income	(21,821,000)	(22,020,100)	(199,100)		
Total Income	(12,783,100)	(12,115,400)	667,700		
NET EXPENDITURE	24,602,000	24,671,120	69,120		

Total Expenditure	59,206,100	58,806,620	(399,480)
Total Income	(34,604,100)	(34,135,500)	468,600
Net	24,602,000	24,671,120	69,120

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Regulatory/ Administrative Committees

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	106,600	101,700	(4,900)	1.75	1.75	
Other Expenditure	152,700	151,400	(1,300)			
Income	0	0	0			
Audit	259,300	253,100	(6,200)	2	2	
Employees	253,600	233,600	(20,000)	6.20	5.00	Underspend expected due to vacant posts, partially covered by overtime.
Other Expenditure	24,900	24,900	0			
Income	0	0	0			
Committee Services	278,500	258,500	(20,000)	6	5	
Employees	261,100	349,200	88,100	4	1	Vacant posts are being covered by agency staff with higher costs
Other Expenditure	22,200	30,400	8,200			
Income	0	0	0			
Corporate Governance	283,300	379,600	96,300	4	1	
Employees	256,000	256,000	0			Underspend on budgeted COVID-19 expenditure (£200k) and on general subscriptions (£20k)
Other Expenditure	826,900	607,000	(219,900)			
Income	0	0	0			
Corporate Management	1,082,900	863,000	(219,900)	0	0	
Employees	276,000	276,000	0	5.69	5.69	
Other Expenditure	88,200	88,200	0			
Income	0	0	0			
Corporate Publicity	364,200	364,200	0	6	6	

Regulatory/ Administrative Committees

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	12,100	12,200	100			
Other Expenditure	415,700	412,700	(3,000)			
Income	0	0	0			
Democratic Rep & Management	427,800	424,900	(2,900)	0	0	
Employees	2,300	13,800	11,500			
Other Expenditure	7,900	15,000	7,100			
Income	0	0	0			
Elections	10,200	28,800	18,600	0	0	
Employees	192,200	187,400	(4,800)	3.89	3.89	
Other Expenditure	100,900	100,900	0			
Income	(1,000)	(1,000)	0			
Electoral Registration	292,100	287,300	(4,800)	4	4	
Employees	366,700	362,700	(4,000)	6.56	4.98	
Other Expenditure	54,300	54,300	0			
Income	0	0	0			
HR	421,000	417,000	(4,000)	7	5	
Employees	773,700	723,700	(50,000)	15.53	11.25	Savings expected due to vacant posts
Other Expenditure	417,400	417,400	0			
Income	0	(2,400)	(2,400)			
Information & Comms Technology	1,191,100	1,138,700	(52,400)	16	11	

Regulatory/ Administrative Committees

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	0	0	0			
Other Expenditure	323,300	323,300	0			
Income	(35,000)	(35,900)	(900)			
Insurance	288,300	287,400	(900)	0	0	
Employees	68,600	69,200	600	1.83	1.83	
Other Expenditure	30,500	33,500	3,000			
Income	(134,000)	(150,000)	(16,000)			
Land Charges	(34,900)	(47,300)	(12,400)	2	2	
Employees	666,500	646,500	(20,000)	10.00	8.80	Underspends expected due to vacant posts, partially covered by agency staff
Other Expenditure	26,600	35,000	8,400			
Income	(77,500)	(97,000)	(19,500)			
Legal	615,600	584,500	(31,100)	10	9	
Employees	71,300	76,300	5,000	1.39	1.39	
Other Expenditure	800	200	(600)			
Income	0	0	0			
Payroll	72,100	76,500	4,400	1	1	
Total Employees	3,306,700	3,308,300	1,600	57	46	
Total Other Expenditure	2,492,300	2,294,200	(198,100)			
Total Income	(247,500)	(286,300)	(38,800)			
Net Total	5,551,500	5,316,200	(235,300)	57	46	

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Corporate Policy & Resources

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	771,100	737,100	(34,000)	13.17	11.15	Savings expected due to vacant posts
Other Expenditure	53,800	53,800	0			
Income	(120,000)	(120,000)	0			
Accountancy	704,900	670,900	(34,000)	13	11	
Employees	1,019,900	861,440	(158,460)	14.18	10.18	Underspend due to 4 current vacant posts No forecasts from department provided. Forecast at budget. Actual amount to be recharged to KGE Ltd less than budgeted due to changes in staff time on KGE work and vacancies.
Other Expenditure	259,000	259,000	0			
Income	(461,900)	(330,900)	131,000			
Asset Mgn Administration	817,000	789,540	(27,460)	14	10	
Employees	226,500	227,000	500	1	1	
Other Expenditure	8,400	7,000	(1,400)			
Income	0	0	0			
Chief Executive	234,900	234,000	(900)	1	1	

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Corporate Policy & Resources

Results to 30-Jun-22	Budget Revised £	Forecast Outturn £	Variance of Forecast from Revised Bgt £	Staffing Budget FTE	Staffing Actual FTE	Comments
Customer Services						
Employees	1,054,400	1,014,400	(40,000)	25.75	20.30	Underspent due to vacant posts, partially covered by agency staff and additional overtime payments.
Other Expenditure	492,400	492,400	0			
Income	(311,500)	(311,900)	(400)			
CServ Management & Support	1,235,300	1,194,900	(40,400)	26	20	
Employees	294,400	297,700	3,300	2	2	
Other Expenditure	2,400	2,000	(400)			
Income	0	0	0			
Deputy Chief Executives	296,800	299,700	2,900	2	2	
Employees	0	0	0			Forecasts are based on 2021/22 outturn with consideration to high gas and electric costs expected this year. There are also underspends relating to empty and void properties.
Other Expenditure	196,900	711,750	514,850			
Income	0	(250,000)	(250,000)			
Development Properties	196,900	461,750	264,850	0	0	Income relating to NHS contribution towards planning costs for Oast House.
Employees	0	0	0			Savings expected from Consultants, Surveyors & Valuers expenditure budgets.
Other Expenditure	55,000	13,000	(42,000)			
Income	(58,000)	(57,000)	1,000			
General Property Expenses	(3,000)	(44,000)	(41,000)	0	0	

Corporate Policy & Resources

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	187,800	188,200	400	4.00	4.00	
Other Expenditure	511,200	496,800	(14,400)			
Income	0		0			
Facilities Management	699,000	685,000	(14,000)	4	4	
Employees	96,700	97,900	1,200	2	2	
Other Expenditure	3,600	3,200	(400)			
Income	0	0	0			
MaT Secretariat & Support	100,300	101,100	800	2	2	
Employees	178,700	160,450	(18,250)	3.08	3.00	Estate programme maintenance budgets expected to be underspent (£75k) of which (£20k) will be used to fund overspend on the Knowle Green Car Park capital project. Savings of (£50k) from Surveyors one-off budget expected to be unused.
Other Expenditure	1,212,800	1,077,800	(135,000)			
Income	0		0			
Planned Maintenance Programme	1,391,500	1,238,250	(153,250)	3	3	
Employees	623,200	603,200	(20,000)	11.92	9.92	
Other Expenditure	8,500	8,500	0			
Income	0	0	0			
Project Management	631.700	611.700	(20.000)	12	10	

Corporate Policy & Resources

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	0	0	0			
Other Expenditure	0	140	140			
Income	0	0	0			
Sea Cadets	0	140	140	0	0	
Employees	1,477,000	1,209,000	(268,000)			Monthly superannuation payments to SCC are expected to be lower based on number of staff in the posts
Other Expenditure	(157,700)	93,000	250,700			Higher than budgeted payments to pension fund for
Income	0	0	0			
Unapportionable CentralO/Heads	1,319,300	1,302,000	(17,300)	0	0	
Total Employees	5,929,700	5,396,390	(533,310)	77	64	
Total Other Expenditure	2,646,300	3,218,390	572,090			
Total Income	(951,400)	(1,069,800)	(118,400)			
Net Total	7,624,600	7,544,980	(79,620)	77	64	

Community Wellbeing & Housing

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	117,100	14,700	(102,400)	3.50	-	Staff transferred by TUPE to Mole Valley from 1st July
Other Expenditure	85,600	28,900	(56,700)			
Income	(205,000)	(102,500)	102,500			
SPAN	(2,300)	(58,900)	(56,600)	3.50	-	SPAN service moving to Mole Valley at the end of Sept 22
Employees	480,500	474,800	(5,700)	10.72	11.00	
Other Expenditure	21,100	25,600	4,500			
Income	(20,000)	(20,000)	0			
Community Care Administration	481,600	480,400	(1,200)	10.72	11.00	
Employees	693,800	700,200	6,400	19.28	16.03	Overspends forecast for increases in cost of living.
Other Expenditure	295,700	326,800	31,100			
Income	(394,200)	(409,500)	(15,300)			
Community Centres	595,300	617,500	22,200	19.28	16.03	
Employees	160,200	152,600	(7,600)	4.72	3.06	
Other Expenditure	92,500	111,800	19,300			
Income	(184,400)	(185,700)	(1,300)			
Meals on Wheels	68,300	78,700	10,400	4.72	3.06	
Employees	593,000	563,000	(30,000)	11.83	10.89	Savings of £20k expected due to vacant post, partially being covered by temporary staff. Remainder costs are expected to be recharged for work relating to Afghan Refugees. Income is expected to cover the actual costs
Other Expenditure	10,000	18,300	8,300			
Income	(603,000)	(581,300)	21,700			
Spelthorne Family Support	0	0	0	11.83	10.89	

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Community Wellbeing & Housing

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	51,800	51,800	0	1.00	-	Increased allocation of Better Neighbourhood grants agreed, for councillors to spend on the Jubilee celebrations
Other Expenditure	40,800	78,700	37,900			
Income	0	0	0			
Community Development	92,600	130,500	37,900	1.00	-	
Employees	0	0	0			
Other Expenditure	249,700	249,700	0			
Income	0	0	0			
General Grants	249,700	249,700	0	-	-	
Employees	1,389,200	1,398,700	9,500	29.36	28.56	
Other Expenditure	90,500	93,800	3,300			
Income	(2,000)	(2,000)	0			
Housing Needs	1,477,700	1,490,500	12,800	29.36	28.56	
Employees	193,800	211,000	17,200	16.83	13.33	Lower numbers in Rent Assure scheme are contributing to lower expenditure and income than budgeted. Demand is slowly increasing.
Other Expenditure	3,782,800	3,330,000	(452,800)			
Income	(3,470,900)	(3,124,900)	346,000			
Homelessness	505,700	416,100	(89,600)	16.83	13.33	
Employees	640,900	597,700	(43,200)			Recruitment in progress for vacant hours/positions
Other Expenditure	41,700	44,500	2,800			Additional new burdens grants received from DWP. These grants are ringfenced to Housing Benefits but the Council has no control over if and when the grants are issued
Income	(300,000)	(351,600)	(51,600)			
Housing Benefits Admin	382,600	290,600	(92,000)	-	-	

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Community Wellbeing & Housing

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	0	0	0			Additional expenditure and grant income relates to Household support fund scheme, which has been extended into 2022/23
Other Expenditure	21,872,000	22,077,300	205,300			
Income	(21,821,000)	(22,020,100)	(199,100)			
Housing Benefits Payments	51,000	57,200	6,200	-	-	
Employees	300,200	304,700	4,500	4.94	5.17	Public Health funding for covid outreach worker secondment
Other Expenditure	22,700	22,800	100			
Income	0	(39,600)	(39,600)			
Leisure Administration	322,900	287,900	(35,000)	4.94	5.17	
Employees	0	0	0			Spelthorne's profit share has increased with reference to inflation
Other Expenditure	257,600	257,600	0			
Income	(267,300)	(299,300)	(32,000)			
Spelthorne Leisure Centre	(9,700)	(41,700)	(32,000)	-	-	
Employees	12,600	12,600	0			
Other Expenditure	4,800	4,800	0			
Income	(3,100)	(3,100)	0			
Resource Centre	14,300	14,300	0	-	-	
Employees	1,600	2,900	1,300			
Other Expenditure	23,100	23,100	0			
Income	(7,100)	(8,100)	(1,000)			
Sports and Active Lifestyle	17,600	17,900	300	-	-	
Employees	0	0	0			
Other Expenditure	0	0	0			
Income	(47,600)	(47,600)	0			
Sunbury Golf Club	(47,600)	(47,600)	0	-	-	

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Community Wellbeing & Housing

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	0	0	0			
Other Expenditure	5,200	5,800	600			
Income	(8,000)	(8,000)	0			
Museum	(2,800)	(2,200)	600	-	-	
Employees	0	0	0			
Other Expenditure	26,300	26,300	0			
Income	0	0	0			
Youth	26,300	26,300	0	-	-	
Employees	1,500	1,500	0			
Other Expenditure	31,300	32,900	1,600			
Income	(3,000)	(3,000)	0			
Arts Development	29,800	31,400	1,600	-	-	
Employees	0	0	0			
Other Expenditure	7,900	7,200	(700)			
Income	(12,900)	(6,000)	6,900			
Public Health	(5,000)	1,200	6,200	-	-	
Total Employees	4,636,200	4,486,200	(150,000)	102.18	88.04	
Total Other Expenditure	26,961,300	26,765,900	(195,400)			
Total Income	(27,349,500)	(27,212,300)	137,200			
Net Total	4,248,000	4,039,800	(208,200)	102.18	88.04	

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Neighbourhood Services

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	473,500	473,500	0	12.8	9.3	Income for the year is expected to be lower due to slower recovery post COVID-19 crisis
Other Expenditure	882,100	894,600	12,500			
Income	(1,839,500)	(1,250,900)	588,600			
Car Parks	(483,900)	117,200	601,100	13	9	
Employees	72,600	72,900	300	1.7	1.7	
Other Expenditure	174,800	174,800	0			
Income	0	0	0			
Community Safety	247,400	247,700	300	2	2	
Employees	0	0	0			
Other Expenditure	121,700	121,700	0			
Income	0	0	0			
Depot	121,700	121,700	0	0	0	
Employees	1,264,700	1,244,700	(20,000)	26.4	24.0	Savings expected due to vacant posts, partially covered by agency staff and overtime.
Other Expenditure	138,800	138,800	0			
Income	(3,000)	(3,000)	0			
Neighbourhood Serv Mgt Support	1,400,500	1,380,500	(20,000)	26	24	
Employees	362,700	362,700	0	6.2	5.6	
Other Expenditure	18,400	18,400	0			
Income	(415,700)	(415,700)	0			
Building Control	(34,600)	(34,600)	0	6	6	

Neighbourhood Services

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	0	0	0			
Other Expenditure	2,500	2,500	0			
Income	(4,500)	(3,000)	1,500			
Food Safety	(2,000)	(500)	1,500	0	0	
Employees	0	0	0			
Other Expenditure	25,700	25,700	0			
Income	0	0	0			
Bus Station	25,700	25,700	0	0	0	
Employees	0	0	0			
Other Expenditure	34,300	37,300	3,000			
Income	(371,700)	(371,700)	0			
Cemeteries	(337,400)	(334,400)	3,000	0	0	
Employees	1,119,700	1,247,200	127,500	20.8	17.5	Expected to be higher due to an additional contractor and agency costs to cover vacant posts and EH Covid-19 response Supplement service to be funded by Surrey County Council Additional income from SCC to fund costs relating to EH Covid-19 response Supplement service as per above
Other Expenditure	80,600	80,600	0			
Income	0	(127,500)	(127,500)			
Environmental Health Admin	1,200,300	1,200,300	0	21	18	
Employees	0	0	0			
Other Expenditure	105,900	105,900	0			
Income	(5,100)	(5,100)	0			
Environmental Protection Act	100,800	100,800	0	0	0	
Employees	213,700	214,300	600	4.6	4.6	
Other Expenditure	8,800	8,800	0			
Income	(128,300)	(128,300)	0			
Licensing	94,200	94,800	600	5	5	

Neighbourhood Services

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	0	0	0			
Other Expenditure	3,300	3,300	0			
Income	(81,400)	(81,400)	0			
Taxi Licensing	(78,100)	(78,100)	0	0	0	
Employees	699,400	679,400	(20,000)	22.0	18.0	Savings expected due to vacant posts, partially covered by agency staff and overtime. Fuel costs are expected to be higher
Other Expenditure	314,500	334,500	20,000			
Income	(47,700)	(47,700)	0			
Street Cleaning	966,200	966,200	0	22	18	
Employees	0	0	0			
Other Expenditure	9,900	9,900	0			
Income	0	0	0			
Public Conveniences	9,900	9,900	0	0	0	
Employees	0	0	0			
Other Expenditure	15,900	15,400	(500)			
Income	(5,000)	(5,000)	0			
Rodent & Pest Control	10,900	10,400	(500)	0	0	
Note: SAT = Spelride						Income is forecast to be lower due to slower than expected recovery post COVID-19.
Employees	172,100	172,100	0	6.0	4.5	
Other Expenditure	48,100	48,100	0			
Income	(94,000)	(64,000)	30,000			
SAT	126,200	156,200	30,000	6	5	
Total Employees	4,378,400	4,466,800	88,400	100	85	
Total Other Expenditure	1,985,300	2,020,300	35,000			
Total Income	(2,995,900)	(2,503,300)	492,600			
Net Total	3,367,800	3,983,800	616,000	100	85	

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Economic Development

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	224,000	215,000	(9,000)	4.00	4.00	
Other Expenditure	64,000	63,600	(400)			
Income	0	0	0			
Economic Development	288,000	278,600	(9,400)	4	4	
Employees	0	0	0			Income is forecast to be lower due to slower than expected recovery post COVID-19.
Other Expenditure	131,900	147,300	15,400			
Income	(257,800)	(167,800)	90,000			
Staines Market	(125,900)	(20,500)	105,400	0	0	
Employees	0		0			
Other Expenditure	0		0			
Income	(311,300)	(311,300)	0			
Staines Town Centre Management	(311,300)	(311,300)	0	0	0	
Total Employees	224,000	215,000	(9,000)	4	4	
Total Other Expenditure	195,900	210,900	15,000			
Total Income	(569,100)	(479,100)	90,000			
Net Total	(149,200)	(53,200)	96,000	4	4	

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Environment & Sustainability

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	0	0	0			
Other Expenditure	3,500	3,500	0			
Income	0	0	0			
Abandoned Vehicles	3,500	3,500	0	0	0	
Employees	0	0	0			
Other Expenditure	23,000	25,000	2,000			
Income	(36,200)	(36,200)	0			
Allotments	(13,200)	(11,200)	2,000	0	0	
Employees	0	0	0			
Other Expenditure	65,100	65,100	0			
Income	(1,000)	0	1,000			
Emergency Planning	64,100	65,100	1,000	0	0	
Employees	0	0	0			
Other Expenditure	10,100	10,100	0			
Income	0	0	0			
Energy Initiatives	10,100	10,100	0	0	0	
Employees	0	0	0			
Other Expenditure	21,000	21,000	0			
Income	0	0	0			
Environmental Enhancements	21,000	21,000	0	0	0	

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Environment & Sustainability

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	1,437,500	1,417,500	(20,000)	44.22	31.00	Savings expected due to vacant posts, partially being covered by agency staff and overtime payments. Fuel costs are expected to be higher than budget.
Other Expenditure	631,400	681,400	50,000			
Income	(248,600)	(248,600)	0			
Grounds Maintenance	1,820,300	1,850,300	30,000	44	31	
Employees	0	0	0			
Other Expenditure	12,200	12,200	0			
Income	(25,900)	(25,900)	0			
Parks Properties Project	(13,700)	(13,700)	0	0	0	
Employees	0	0	0			
Other Expenditure	77,200	87,200	10,000			
Income	(73,300)	(73,300)	0			
Parks Strategy	3,900	13,900	10,000	0	0	
Employees	1,106,200	1,016,570	(89,630)	20.93	18.33	3 current vacant posts. forecast at budget as no forecast from department forecast at budget as no forecast from department
Other Expenditure	189,200	189,200	0			
Income	(675,900)	(675,900)	0			
Planning Development Control	619,500	529,870	(89,630)	21	18	
Employees	459,300	430,970	(28,330)	8.13	7.13	1 vacant post currently on hold until filled (as temp 1 yr post) Costs associated with Local Plan work. Overspends can be funded from Local Plan reserve set up in 2021/22 from budget underspend.
Other Expenditure	74,500	123,700	49,200			
Income	(81,400)	(81,400)	0			
Planning Policy	452,400	473,270	20,870	8	7	

Environment & Sustainability

Results to 30-Jun-22	Budget Revised	Forecast Outturn	Variance of Forecast from Revised Bgt	Staffing Budget	Staffing Actual	Comments
	£	£	£	FTE	FTE	
Employees	0	0	0			
Other Expenditure	7,200	8,200	1,000			
Income	(27,400)	(27,400)	0			
Public Halls	(20,200)	(19,200)	1,000	0	0	
Employees	1,442,100	1,442,100	0	50.00	43.50	
Other Expenditure	885,000	885,000	0			
Income	(979,000)	(1,069,000)	(90,000)			Higher green waste bins income due to more clients.
Refuse Collection	1,348,100	1,258,100	(90,000)	50	44	
Employees	0	0	0			
Other Expenditure	5,500	5,500	0			
Income	0	0	0			
Water Courses & Land Drainage	5,500	5,500	0	0	0	
Employees	0	0	0			
Other Expenditure	0	0	0			
Income	(342,000)	(347,000)	(5,000)			
Waste Recycling	(342,000)	(347,000)	(5,000)	0	0	
Total Employees	4,445,100	4,307,140	(137,960)	123	100	
Total Other Expenditure	2,004,900	2,117,100	112,200			
Total Income	(2,490,700)	(2,584,700)	(94,000)			
Net Total	3,959,300	3,839,540	(119,760)	123	100	

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Corporate Policy and Resources Committee



12 September 2022

Title	LGA Corporate Peer Challenge update
Purpose of the report	To note
Report Author	Daniel Mouawad – Chief Executive Lee O’Neil – Deputy Chief Executive Terry Collier – Deputy Chief Executive
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	N/A
Corporate Priority	Community Affordable housing Recovery Environment Service delivery
Recommendations	Committee is asked to: Note the contents of the report and progress with preparing for the LGA Corporate Peer Challenge.
Reason for Recommendation	Not applicable

1. Summary of the report

- 1.1 The Corporate Policy and Resources Committee (CPRC) has agreed that the Council will participate in a Local Government Association (LGA) Corporate Peer Challenge (CPC) later this year.
- 1.2 This report seeks to provide the Committee with an update on progress with preparations for the CPC.

2. Key issues

- 2.1 Spelthorne’s last full Corporate Peer Challenge was undertaken in 2014 with a more focused Finance Peer Review undertaken remotely in 2020. Full CPCs are recommended to be undertaken every five years. The Council is therefore planning to undertake such an exercise later this year.
- 2.2 Peer challenges are designed to support councils to drive improvements and efficiency and to assist local authorities to respond to local priorities and issues in their own way to the greatest effect. The CPC team will involve

peers from across the sector and beyond (including senior officers and councillors (usually including at least one Leader) from other local authorities).

- 2.3 Spelthorne's CPC, as with all such challenges, will cover five core elements:
- (a) Local priorities and outcomes
 - (b) Organisational and place leadership
 - (c) Governance and culture
 - (d) Financial planning and management
 - (e) Capacity for improvement
- 2.4 In addition, it has been agreed that the CPC team will also focus on one cross-cutting area of specific relevance/importance to Spelthorne:
- 'How can Spelthorne ensure that it can continue to deliver sustainable, affordable housing developments for the borough?'*
- 2.5 The LGA are currently in the process of putting together a number of options for the proposed make-up of the CPC team which will visit Spelthorne. In view of the range of political parties represented by Spelthorne Councillors it has been agreed with the LGA that if possible they will seek to include two political Leaders in the team undertaking our CPC, one from a Conservative led authority and one Leader from a Liberal Democrat led authority, preferably both from Councils operating under a committee system of governance.
- 2.6 Council officers are currently putting together a range of background information for the CPC team so that they can understand more about our borough and the Council, including areas such as our political make-up, governance structures and our priorities/values etc..
- 2.7 Following the last CPC meeting there was a request to establish whether the process could be brought forward from the date that had been proposed towards the end of November this year. This date was chosen for a range of reasons including the availability of the LGA CPC team; the workloads and preparation time for Spelthorne officers to pull all the necessary information together for the CPC team; the need to give a number of new senior managers and recently elected Councillors time to bed into their roles and understand the Council's processes and procedures etc.; and also to ensure that the CPC and any follow up sessions do not clash with the May 2023 Borough Council elections. Following discussions with representatives from the LGA we have, however, now managed to move the CPC visit forward a couple of weeks to take place on 15-17 November 2022, rather than the end of that month.
- 2.8 During their visit the CPC team will meet with staff at the Council, Councillors, residents, business representatives, partners and other interested parties, using a combination of meetings (in the office and virtual) and workshops. As this is a corporate review, all Councillors will be invited to participate, including all members of the CPRC.
- 2.9 Around six months after the CPC, the LGA will organise a check-in meeting to explore progress and challenges with peers and discuss any next steps.

3. Options analysis and proposal

- 3.1 The Committee is asked to note the contents of the report and progress with preparations for the LGA CPC.

4. Financial implications

- 4.1 There are no additional costs for the LGA to undertake a CPC as the Council pays an annual £10,000 LGA subscription.

5. Risk considerations

- 5.1 The LGA plan and build their CPC team around a range of factors, including the specific area(s) of focus the team are asked to look at in addition to the five core areas. Once the make-up of the Peer Team is finalised and the scope of the CPC set, any subsequent changes requested would be likely to result in the CPC team's visit being significantly delayed (most likely into 2023).

6. Legal considerations

- 6.1 There are no direct legal considerations relating the proposed CPC.

7. Other considerations

- 7.1 There are none.

8. Equality and Diversity

- 8.1 There are no direct equality and diversity considerations relating to the proposed CPC.

9. Sustainability/Climate Change Implications

- 9.1 The proposed main area of focus for the CPC Peer Team would include an opportunity to consider environmental sustainability issues relating to the Council's affordable housing developments.

10. Timetable for implementation

- 10.1 Spelthorne's CPC is currently scheduled for the week commencing 14 November 2022, with the Peer Team visiting the Council from 15-17 November.

11. Contact

Daniel Mouawad, Chief Executive: dcm.cex@spelthorne.gov.uk

Lee O'Neil, Deputy Chief Executive: l.o'neil@spelthorne.gov.uk

Terry Collier, Deputy Chief Executive: t.collier@spelthorne.gov.uk

Background papers: There are none.

Appendices: There are none.

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Spelthorne Borough Council Services Committees Forward Plan and Key Decisions

This Forward Plan sets out the decisions which the Service Committees expect to take over the forthcoming months, and identifies those which are **Key Decisions**.

A **Key Decision** is a decision to be taken by the Service Committee, which is either likely to result in significant expenditure or savings or to have significant effects on those living or working in an area comprising two or more wards in the Borough.

Please direct any enquiries about this Plan to CommitteeServices@spelthorne.gov.uk.

Spelthorne Borough Council

Service Committees Forward Plan for 1 September 2022 to 31 December 2022

Anticipated earliest (or next) date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 12 09 2022	Corporate Peer Review Challenge Update	Non-Key Decision	Public	Daniel Mouawad, Chief Executive
Corporate Policy and Resources Committee 12 09 2022	Surrey Delivery Board Update	Non-Key Decision	Public	Daniel Mouawad, Chief Executive
Corporate Policy and Resources Committee 12 09 2022	Budget Inflation for Costs, Salaries, Fees & Charges 23/24	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 12 09 2022	Q1 Capital Monitoring Report Capital Monitoring Report	Non-Key Decision	Public	Paul Taylor, Chief Accountant
Corporate Policy and Resources Committee 12 09 2022	Q1 Revenue Monitoring Report	Non-Key Decision	Public	Anna Russell, Deputy Chief Accountant
Corporate Policy and Resources Committee 10 10 2022	Service Plan (as part of the 23/24 Budget Process)	Non-Key Decision	Public	Sandy Muirhead, Group Head - Commissioning and Transformation, Paul Taylor, Chief Accountant

Date of decision and decision maker	Matter for consideration	Key or non-Key Decision	Decision to be taken in Public or Private	Lead Officer
Corporate Policy and Resources Committee 10 10 2022 Council 20 10 2022	Procurement of waste & street cleansing vehicles	Key Decision It is likely to result in the Council incurring expenditure above or making savings of up to £250,000	Public	Jackie Taylor, Group Head - Neighbourhood Services

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Urgent Action

Corporate Policy and Resources 12 September 2022

This is the only urgent action which has been taken since the last Corporate Policy and Resources Committee on 11 July 2022.

The following urgent actions were agreed by the Chief Executive in consultation with the Leader, on the following dates and for the reasons stated. This is not a Key Decision.

DATE	ACTION	REASON FOR URGENCY
16 August 2022	Re-profiling of the sums allocated to the projects put forward in the Councils SPF Investment Plan to align with a change to the governments profiling of spend to 4% in year one, 8% in year two and 88% in year three	The Department for Levelling Up, Communities and Housing gave a deadline of 18 August by which the updated profile of spend had to be provided

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